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# **HOW TO MOTIVATE HIGH-DEMANDING EMPLOYEES**

Case: UPM-Kymmene, Tampere Service Centre



Bachelor's thesis

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ABSTRACT

This study was commissioned by UPM-Kymmene, the supply chain service centre in Tampere. There was a need for examining the current level of motivation at this facility as it was established only in autumn 2009. Motivated employees are extremely important as they are the core for business excellence. The current economic turmoil and the organizational changes in UPM might also have influenced employees' motivation and that is why it was seen as an important topic to further investigate.

The aim of this thesis was to examine whether the current motivation strategy at UPM is efficient in motivating the staff at the supply chain centre unit. The motivation strategy was examined on the basis of the expectancy theory developed by Vroom. To gather empirical evidence on employees' perceptions on the current motivation strategy a questionnaire was formulated and sent to all employees at the supply chain centre. The results were then further analysed to identify important corner stones and drawbacks. Some solutions for further motivation techniques were compiled in the end of this study.

Based on the empirical evidence it was concluded that there is a need for improvement in the employees' motivation. The response rate for the survey was approximately 76 per cent, so the findings are very comprehensive to draw conclusions. The most common aspects to improve were communication, work load and recognition and feedback. These are also central components to work motivation according to the expectancy theory. To improve these aspects it was suggested that employees' needs are carefully listened and attended to. Also a Communications Specialist should be nominated to improve communication at the supply chain centre.

**Keywords** motivation, work motivation, expectancy theory, UPM Tampere

**Pages** 54 pp. + appendices 11 pp.



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## TIIVISTELMÄ


Tämä opinnäytetyö on UPM-Kymmenen Tampereella sijaitsevan toimitusketjunhallintaosaston työntekijöille tehty tutkimus. Tutkimuksen aiheena oli henkilöstön motivaation selvittäminen. Motivaation selvittäminen koettiin tärkeäksi, koska aiempaa vastaavaa selvitystä ei ollut tehty vasta vuonna 2009 perustetulle yksikölle. Lähtökohtana oli käsitys siitä, että motivoituneet työntekijät ovat tärkeä avaintekijä liiketoimintatulosten aikaansaamisessa. Lisäksi pidettiin oletettavana, että nykyinen taloudellinen tilanne ja organisaation muutokset vaikuttavat työntekijöiden motivaatioon, ja tästä näkökulmasta tutkimuksen aihe nähtiin tarkoituksenmukaisena.

Tutkimuksen tarkoituksena oli selvittää, miten nykyiset motivaatiomenetelmät motivoivat toimitusketjun palveluosaston henkilöstöä. Teoreettisena lähtökohtana motivaation tarkastelulle käytettiin Vroomin odotusarvoteoriaa. Empiiristä tiedonhankintaa varten laadittiin kyselylomake, joka lähetettiin kaikille osaston työntekijöille sähköpostitse. Kyselylomakkeesta saadut vastaukset koottiin, analysointiin ja niistä nostettiin esiin keskeiset tekijät ja epäkohdat. Tutkimuksen lopussa esitetään tuloksiin pohjautuvia johtopäätöksiä motivaation parantamiseksi.

Tutkimustuloksiin pohjautuen voidaan todeta, että työntekijöiden motivaatiossa on puutteita. Kyselylomakkeeseen vastasi 76 % osaston työntekijöistä, mitä voidaan pitää luotettavana määränä johtopäätösten tekemiselle. Tuloksissa kaikkein tärkeimpinä tekijöinä tulivat esiin vuorovaikutus, työkuorma, huomioon ottaminen ja palaute. Nämä ovat myös odotusarvoteorian mukaiset keskeiset työmotivaatioon vaikuttavat tekijät. Näiden tekijöiden parantaminen edellyttää huolellista työntekijöiden mielipiteiden kuuntelemista ja huomioon ottamista. Vuorovaikutuksen parantamiseksi ehdotettiin myös vuorovaikutusasiantuntijan osaamisen hyödyntämistä.

**Avainsanat** motivaatio, työmotivaatio, odotusarvoteoria, UPM Tampere

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## 1 INTRODUCTION

### 1.1 Motivation as a key factor in business excellence

Today's business environment is extremely demanding. The pressure of open markets and free competition, forces companies to put emphasis on their core business. The global economic downturn during the year 2008 wore its effects on all business areas. It can be seen in the total turnover figures in Finland that domestic and international demand decreased. In the figure both the domestic and export turnover in manufacturing industry decreased by almost 33%. (Statistics Finland 2010.)

As companies try to strive for better profits the most usual path is to minimize costs. The common trend especially in Finland's paper industry is temporary dismissals and layoffs. According to Statistics Finland (2009), in 2008 the amount of temporary layoffs doubled in Finland. While trying to suppress costs and maximize customer satisfaction and loyalty it is very important to also focus on the employees. Motivated employees are often more goal-oriented and pursue the good of the whole company. According to Pauli Juuti (2006), employees are a central source for company profitability and the guarantee for success.

An article by Taloussanomat (2009) discussed the presence of layoffs. It stated that companies resort to layoffs too easily. Anu Järvensivu, special investigator of the University of Tampere, commented in the article that layoffs seem to be an accepted method in Finland and its consequences are rarely enough thought upon. If layoffs are not planned well they can result in mixed job descriptions and uncertainty of responsibility. Work motivation is also in jeopardy according to Juha Antila, the payroll and work time expert from SAK, central organization of Finnish trade unions. He stated in the article that communication is a central issue in motivating those employees who are chosen to keep their job. (Taloussanomat 2009.)

According to Viitala (2007, 10), employees are the foundation of an organization. However they are a fragile source which should be taken care of appropriately. Without a well-motivated workforce one cannot sell even a perfect product as it might not be marketed well or assembled right. Without a motivated workforce new ways of working and innovations will not be born. It was also said that the skills and knowledge are not enough if there is no effort and willingness. (Viitala 2007, 10, 18.)

A good working atmosphere is one of the crucial points of work motivation. The previously mentioned article suggested that if an employee loses their trust it is not easy to reclaim. If an employee is treated badly they will repay

the favour by leaving the company the first chance they get. (Taloussanomat 2009.)

Employee motivation is affected by multiple variables. Researching motivation in an organization is essential as it is the key of organization's functionality and profitability. At best motivated employees seek better and more efficient ways of working and strive for excellence. Employee motivation is even more important when an organization goes through great changes that require new ways of working. (Juuti 2006, 38.)

### 1.2 UPM and Tampere Supply Chain Centre

The currently known UPM-Kymmene started its operations in 1996. The history of this company begins already from the 1870s when the first mills started their manufacturing. Through time, smaller paper manufacturing companies merged to bigger entities to achieve competitiveness in the demanding markets. The currently known UPM-Kymmene was founded through mergers of major forest industry companies Kymmene Corporation, Repola Ltd and United Paper Mills. (UPM 2008a.)

UPM-Kymmene has mills in 15 different locations and they employ more than 23,000 people globally. The products which UPM offers are divided into three different subgroups - energy and pulp, paper and engineered materials. These products are produced for the global markets and some also for internal use, such as electricity and pulp. As a company concentrating on green values, most of the raw materials are renewable and from recyclable wood. The products have also certified eco-friendly labels such as PEFC, FSC and the Eco-label. (UPM 2008b; UPM 2010b.)

The UPM annual report 2009 describes their new vision as the bio and forest company - the Biofore Company. UPM strives to be the forerunner of this industry leading the business into a more sustainable and innovation-driven future through renewable and recyclable products. Cost leadership, innovation and the readiness for change are described as the competitive edges of UPM. (UPM Annual Report 2009.)

The economic indicators in the annual report also show that UPM was affected by the global economic downturn continuing in 2009. Their sales decreased by 18%. Strong saving methods were made to cover these losses. Altogether approximately 1,770 employees were laid-off in different sites of UPM in 2009. The president and CEO Jussi Pesonen commented "...There is still overcapacity in many of our business. It is crucial to ensure cost competitiveness today...". The uncertainty of the business environment wears its affect still in 2010 as Yle reported in March that the Kaukas and Kajaani mills in Finland are facing the lay-offs of 200 employees (YLE Etelä-Karjala 16.4.2010; UPM Annual Report 2009.) The financial statements release (UPM 2011), however, reports recovery from the 2009 recession. The overall



economic growth was reported to be 5% and the UPM sales growth has continued throughout the year 2010.

As a part of the cost saving methods and targets to increase efficiency, UPM decided to centralize services to big service centres, among others the supply chain centres. Currently the service centres are located in key geographical areas and named accordingly; Supply Chain North Europe, Eastern Europe, Western Europe, Central Europe and North America. The one for the Asia Pacific region is currently being set up. In 2009 the Supply Chain Centre North Europe was established in Tampere, which this study is focused on. (UPM 2010a; UPM HR Internal 2009.)

Employees' well-being is greatly thought upon in the whole of UPM by the HR function, which was recently divided into operational HR, group HR and business HR. The new structure of the human resources department was developed to align the department with UPM business operations and strategic goals. The new structure offers business operations' based strategic support and timely, high quality HR services. The change also brought a new HR management tool the MSS, which guarantees managers a 24/7 opportunity to access employee related data to assist leading their employees. (UPM HR Internal 2009.)

Bearing in mind the continuous threat of layoffs and business uncertainty, human resources department have to be very efficient. Currently employed people should not be all the time uncertain about their work continuity. UPM has created guidelines how leaders should motivate. Also the values have been renewed and they should now better support also motivation. The goals of UPM in 2009 were to attain profitability in Europe, penetrate new growing markets and new business areas. All of these goals are accompanied by specific HR goals which will be discussed more thoroughly in chapter 3. (UPM HR Internal 2009.)

The collaboration with middle management is crucial when motivating employees. The first and most important contact for the employees in HR matters is after all the supervisor. The middle management is trained to HR specific tasks and especially in change management. UPM has gone through great organizational changes during the past few years therefore change management is important to ensure employee satisfaction. The concept of 360° feedback has also been adopted to enable managers' personal development, including communication and co-operation skills. Other ways to ensure motivation such as training and education are widely offered in UPM. (UPM HR Internal 2009.)

The service centre at Tampere started its functions in 2007 with financial service operations. Such functions as sourcing and master data maintenance are also centred in the same facility as the supply chain centre. Therefore the facility at Tampere provides a centralized service centre. The North Europe Supply Chain Centre is divided into teams of customer service, supply chain

planning, logistics and inventory. These teams are then further divided to more specific tasks. Each team has their manager who is responsible of the overall fluency of the service. The whole supply chain's manager is Janne Ussa who is in overall charge of the services provided by the supply chain functions. (UPM 2010a.)

### 1.2.1 Customer service team

At the supply chain centre at Tampere there are a few customer service specialists who specialize in domestic and far international markets. The purpose of the job is to provide high quality customer service and order processing. Customer service specialists are in contact with either a customer or an agent to make offers, place orders, follow up on order deliveries and ensuring customer satisfaction after the delivery. These specialists also file in all claims and handle the customer invoicing. (UPM Job Application 2011a.)

Usually the customer service specialists are located by their markets. For example, the UK customer service specialists are located in England. This ensures that despite of a time difference the customer receives service. There needs to be lot of flexibility from both the customer service specialists and order fulfilment specialists to answer customer needs despite the time zones. Gathering information from the customer markets and supporting the order forecast process are also important tasks of the customer service specialists. The team has to have in-depth knowledge of their customer needs to be able to manage the customer profiles. (UPM Job Application 2011a.)

To be successful in the required tasks, the team members need to be customer service oriented and have good communication skills. It is required that these people have an attendance to pay attention to details and to be able to also see the big picture. It is important that the specialists are able to work individually and unprompted as well as in a team. (UPM Job Application 2011a.)

### 1.2.2 Planning team

The planning teams are divided according to mills and their specialised product offering. Each of these teams has their planning manager, mill specific planning specialists and order fulfilment specialists. The order fulfilment specialist is in contact with global customer service teams. The customer service specialists enter the orders in the system which the order fulfilment specialist checks and then confirms. The orders are checked to be correct and confirmed according to the mill capacity situation. The order completion is carefully monitored by the order fulfilment specialists and any deviations from the original order are communicated to the customer service. This requires that the order fulfilment specialists should have an overall picture of the supply chain to detect any hick-ups during order completion. The communication and co-operation between the customer service and

planning teams is essential to guarantee customer satisfaction. (UPM Job Application 2011b.)

After the orders are entered to the mill specific systems, the planning specialists make an appropriate production schedule to produce them on time and to wanted specifications. The planning specialists are a vital link to all other stakeholders concerning manufacturing as well as the booking situation. The planning specialists are in daily contact with the mills concerning production planning issues. Their cooperation is very essential to improve customer satisfaction. The planning specialists are also a part of optimizing the production to avoid as much waste paper as possible. (UPM Job Application 2011c.)

The planning teams' members should be able to make decisions and also work under stress. They need to be team players as well as individual performers and also have the capability to adapt to a changing environment. Especially the order fulfilment specialists should have a customer service oriented mind-set. The planning manager's tasks are to make sure the whole process from accepting the order to producing it flows fluently. Basically these people are in charge of specific paper mills and their cost and production efficiency together with the mill personnel. The planning managers estimate the yearly production capacity and take part in accepting and formulating production forecasts. (UPM Job Application 2011c.)

### 1.2.3 Logistics team

The logistics team takes care of the transportation of each and every order from the mill to a domestic port or then directly to the domestic or international customer. Currently there is one load planner for each mill, who ensures that produced orders are delivered to the correct port in time for a booked vessel. It is important that the orders are produced on time so that the load planners can make sure the product reaches its destination as ordered by the customer. The planning teams are in close contact with the load planners to inform about order completion. It is extremely important that all three teams communicate efficiently from the production to deliverable quantity accepted by the customer. The load planners also have a team leader, who is in charge of the whole team's efficiency. (Huiko, e-mail 30.12.2010.)

It is required that the logistics team members have the ability to handle multiple things at once and pay attention for details. It is important that the load planners remember the special deliveries that have been agreed. The tasks might sometimes be a bit overwhelming but also the team leader can assist. (Huiko, e-mail 30.12.2010.)

### 1.2.4 Inventory team

The inventory team is a hybrid of the planning and customer service tasks. This team takes care of such customers for whom UPM holds stock. It is their task to monitor that the customer has enough stock for the upcoming printing jobs. They create orders like the customer service specialists and confirm them like the order fulfilment specialists. The inventory team is also in charge of taking care of stock in Finland. It is not of UPMs policy to hold stocks unless agreed with a specified customer and that is why all extra reels that have no address are carefully monitored. Action plans are formulated together with the planning team for every paper reel that is considered aged stock. (Vesanto, e-mail 30.12.2010.)

The members in the inventory team should have same tasks that require same personal qualities as the planning and customer service teams. Paying attention for details is a very important feature in the inventory team as they are responsible of the entire stock for one customer. The inventory team has also a manager who is then assisting in the overall control of the whole process. (Vesanto, e-mail 30.12.2010.)

### 1.3 Purpose and objectives

This study is made for UPM-Kymmene North Europe Supply Chain Centre at Tampere, here after called the SC. This is an interesting focus as the facility has been up and running only less than a year. The organizational changes require also greater attention from the human resources department to ensure a good level of motivation remains. The functions performed at the SC were previously performed by the mills. These occupations had to be moved to Tampere into the SC as all services needed to be centralized to support the new business strategy. The employee base at Tampere was gathered from different mills as well as from new-comers. The diversity of employees presents challenges for the human resources department and especially when developing motivation strategies. This report will concentrate on those motivational efforts.

Firstly, the motivation theory used in this study is thoroughly analysed to give appropriate background for the research. The study will concentrate on the expectancy theory generated by Vroom (1964) and further developed by Lawler (1981). The theory is applied in the solutions phase in relation to the survey results. The theory also includes reward systems and compensation as motivators. Even though these factors can greatly affect motivation, they are not included in this study.

In collaboration with the human resources department the current motivational strategies at the SC will be described. It is investigated how employees are encouraged to be motivated in their new positions in the challenging business environment. The interrelationship of UPM's new

values and motivation is also studied. These themes are investigated in the third part of the report. Further on the effectiveness of the motivation strategy and the current level of motivation are studied. A survey is sent to all employees at the SC. The anonymous questionnaire results and personal observations are used to formulate an overall picture of the current motivation level.

Lastly, the writer's own suggestions on how to improve motivation at UPM Kymmene Tampere will be offered. These solutions are based on the research material, both literature and empirical evidence. All results are generalised. The solutions' aim is at improving motivation as well as offering a strategy for long lasting motivation. The offered solutions can also be applicable to other departments of UPM, however they are country bound. The company is an international concern nevertheless this research and its solutions are based on a survey conducted in Finland thus not culturally aware.

To conclude the final purpose of this report is to investigate the current motivational efforts in light of the chosen motivation theory. Thus the research question:

- how proficient is the new motivation strategy at UPM Kymmene North Europe Supply Chain Centre in Tampere

The report will discuss the research question in correlation with the objectives taking into account the research limitations. Answers, solutions and suggestions for the company to improve their motivational efforts for their high-demanding employees are offered in the last two chapters of this report.

### 1.4 Research methods

This study is based on desk research as well as field research. The theoretical knowledge presented in this study is based on books and other literature. Also online sources are used for example the UPM internet site. The theories presented for the current motivation strategy at UPM are based on UPM's intranet sources as well as info materials received from the human resources department. These info materials are also used for internal educational purposes for leaders at UPM.

The empirical evidence to support the theories is gathered through an online questionnaire sent to the employees of the Tampere SC. The researcher's own experiences and observations are also used to back up the knowledge gained from the questionnaire.

## 2 MOTIVATION THEORY

In this chapter the concept of motivation is described and the definition of motivation used in this study is clarified. The motivation theories' history will be discussed although the concentration will be on the expectancy theory, its definition, concepts, constraints and correlation to job satisfaction.

### 2.1 Motivation and development of motivation theories

Juha Kontiainen and Antti Skyttä (2010, 39) explain motivation as inner born atmosphere that guides and drives behaviour. It results in committed, active and spontaneous achieving. Motivated behaviour is seen as voluntary, and under the influence of the individual. In *Fundamentals of Management*, motivation is described as “the willingness to exert high levels of effort to each organizational goal, conditioned by the effort’s ability to satisfy some individual need”. Basically work motivation is the inner “push” in achieving organizational goals. (Robbins & DeCenzo 2008, 266.)

In this report, motivation is defined as the external or internal stimulus that affects behaviour which is influenced by individual capabilities and skills. It however does not include such external efforts that are created by compensation or reward. Compensations are such motivators that are given after an outcome that might not be so pleasurable in the employee mind but is necessary for the company e.g. moving the facility to a different location thus having the employee move. Compensations also include perks and base pay. Rewards are something to be given after a favourable outcome. The favourable outcomes are usually stated before a certain time period so that everyone can make their best effort to get the reward. Rewards can thus be stated here as the pre-planned motivators to achieve goals and compensation as post-planned methods to restore motivation. (Juuti 2006, 36; Kontiainen & Skyttä 2010, 39.)

Rewards are criticised for not being actual motivators. They can be used as incentives for employees to increase their work load and efficiency, but a boring task does not turn into a motivating one only through higher pay. It is a totally different thing, motivation wise, that the supervisor first discusses the matters and shows recognition for the employee and builds future development plans with them. The correct path should be feedback, recognition and awareness of importance and the appreciation of the outcomes. Thus reward and compensation matters are excluded in this study. Also the concentration of this report is on conscious choices and the attractiveness of goals and not on the monetary reward as an outcome. (Kontiainen & Skyttä 2010, 39-40.)

Different motivation theories try to explain how motivation is born. It has been recognized that motivation stems from a certain consequence of a process. The on-going processes which influence motivation can result from for example interrelationships. The process theories assume that humans are able to make rational choices to reach their goals. Whereas the psychoanalytic theories suggest that a human acts according to their subconscious and hidden motives. It is however important to know both sides as the contemporary motivation theories are based on both psychoanalytic and process theories. (Juuti 2006, 38-39; Robbins & DeCenzo 2008, 267.)

Different theories agree that a motivated person is in a certain tense status when their goals have not been achieved. With their actions people try to decrease this tension. Motives are what make people move. According to rational motivation theories people try to achieve their goals. Motives create an imbalance that behaviour tries to correct. In other sense goals are ways for people to fill up their wishes. The needs theories however suggest that needs start up the motivation process. There are also theories that people's behaviour is guided only by instincts or according to past experiences. (Juuti 2006, 39; Robbins & DeCenzo 2008, 266.)

Most motivation theories are built upon hedonism which explains behaviour in ways to achieve pleasure and avoid pain and feelings of discontent. Hedonism was widely used as a basis of thinking in the 17<sup>th</sup> and 18<sup>th</sup> century. In 20<sup>th</sup> century the principles of hedonism were used to formulate the empiric theories of behaviour. It was however criticised that hedonism was not enough to establish a comprehensive theory explaining human behaviour and motivation. (Juuti 2006, 39.)

Wilhelm Wundt, named as the master of psychology, started a wide psychological laboratory test in 1879 to discover the structure and content of consciousness. The used method was criticised not being accurate or scientific enough. Nevertheless in 1943 Hull developed the drive theory based on these findings. The theory explains behaviour as a response to earlier stimulation-reaction situations. He described humans as robots regulating their own behaviour. He's theory was an equation where attempt is the outcome of drive, habit and rewards multiplied. This is an extremely simple way of explaining behaviour as it assumed people behave in interactions always according to the history of drives that have altered their habits. (Juuti 2006, 40.)

In 1908 McDougall tried to explain behaviour through natural born instincts. This way of thinking correlates with the findings of Freud in 1915. According to Freud behaviour is dictated by subconscious motives. People were seen as not being aware of their needs and behaviour rather than being guided by rejected needs. According to Freud persona is divided into three different parts and behaviour being the result of the three interacting. The first part, id, is based on instincts, ego is based on reality and history and super-ego is based on culture and norms. (Juuti 2006, 40-41; Vroom 1990.)

Some psychologists like Koffka and Köhler thought the behaviour is not directed by single motives. They thought that behaviour is the result of the interaction between the entity and its parts. In their opinion making observations is not possible if they are seen as only individual parts. The parts need to be combined with the entity to form a correct observation. According to Kurt Lewin's field theory (1940's) each happening was the result of multiple different causes. The field was seen as each person's life space. Like the theories of Freud, Lewin did not take into account the previous experiences but only those present each time in the field. There might be previous experiences or future expectancies only if they are relevant and thus present in the field. (Juuti 2006, 42; Lewin 1943.)

The basic principles of Lewin were that behaviour is influenced by the environment and the individual. According to him motivation is directed by the distance between expectancies and the reaching of goals on the field. Lewin also acknowledged that goals can be overlapping. In this case the person needs to choose, even between two favourable goals. (Juuti 2006, 43; Lewin 1943.)

The development of work motivation theories have stemmed from the early motivation theories. In the earlier theories humans are described as complex creatures which need to choose from multiple options and whose behaviour is based on instincts, subconscious motives and conscious choice. In these theories humans are presented as partially mystic creatures and partially rational thinkers. Over the last hundred years work motivation theories have been divided into content theories and process theories. Taylor suggested that work motivation was the pure result of rewards and compensations whereas the human relations movement emphasized financial security, work safety and humanitarian working conditions. Later on Maslow created the hierarchy of needs based on these assumptions. The theory was modified by Alderfer to include also declining in the needs process. The hierarchy of needs is probably the best known motivation theory. This theory has been widely criticised due to the amount of assumptions it makes. There is also very little empirical evidence to support it. (Juuti 2006, 43-44; Robbins & DeCenzo 2008, 267-268; Alderfer 1969.)

The theory by Herzberg, motivation-hygiene theory, is also a very commonly known needs theory. This is based on motivators and hygiene factors from which only motivators can motivate if the hygiene factors are satisfactory. Also the theory by McGregor, theory x and theory y, is widely appreciated even though there are no evidence to support the theory. All of the above are however early theories of motivation. The contemporary theories that are mostly used concerning work motivation are the McClelland's three-need theory and the expectancy theory generated by Vroom. (Robbins & DeCenzo 2008, 267-270, 275; Vroom 1990.)



Another earlier process theory was the cognitive dissonance theory by Festinger. This was developed further by Adams to create a theory that is still widely used to explain work motivation. The main stream of motivation theories is however in the review of goals. Each currently used work motivation theory somehow takes into account the behaviour driven by goals. Based on the earlier field theory by Lewin, Vroom (1964) generated the expectancy theory. This theory was later on developed by Porter and Lawler and then further only by Lawler. The expectancy theory will be more thoroughly explained in the following chapters. (Juuti 2006, 44-45; Vroom 1990.)

### 2.2 Expectancy theory

Goals are what people dream about. Their fulfilment is expected and they guide people's behaviour and needs to a certain direction. Some theories say that when people have not fulfilled their needs they have tension. The greater the tension the higher the effort level, which means motivation. It has been discovered that when these goals are not fulfilled aggression might stem. Aggression can be directed towards the cause of the aggression for example a supervisor, or then it can be directed towards a replacement for example a wife. Frustration and stress are also symptoms of not reaching one's goals. In the expectancy theory motivation is seen as a conscious choice of the most attractive goal. This theory has been well developed by different theorists and is now widely used in organizations to explain human behaviour and work motivation (Juuti 2006, 39; Lawler & Suttle 1973.)

The expectancy theory was chosen for this study as it differs from the needs motivation theories. It sees humans as rational thinkers who make their own decisions on which goals are the most important with best outcomes for the individual. The needs theories rely on unconscious choices based on satisfaction of certain needs ladder. It was seen that it is more reasonable to investigate the individual's choices and preferences in this study to formulate good suggestions for further motivation strategy at the SC. Even the atmosphere and individual's manners are totally different in a work organization as rules, regulations and norms direct employees' behaviour. Thus common needs theories are not applicable for this study. The expectancy theory is also supported by many theorists and it is most widely used and most comprehensive theory for researching work motivation. The theory also supports the empirical research results received from a research conducted at the SC as will be discussed later in this study in chapter 4. (Robbins & DeCenzo, 2008, 275.)

#### 2.2.1 Principles of the expectancy theory

The expectancy theory was generated by Vroom in 1964, because he thought that content theories did not describe the problems in motivation well enough. Vroom established the expectancy theory on factors that motivation is built

upon. It was influenced by the earlier work of Lewin and Tolmann and some theories concerning financial rewards. So it has its roots in both Gestalt psychology and rational idea of man. The expectancy theory as any other theory has its critics; however most of the research evidence supports the theory. (Juuti 2006, 49; Robbins & DeCenzo 2008, 275.)

Human behaviour is the consequence of conscious choice according to the expectancy theory. People choose the most probable option that has the most favourable outcomes for the individual. Basically individuals act on the expectation of the outcome and its attractiveness. According to Vroom motivation is a process that regulates the choices people make. Motivation is the outcome of the expected outcome's value multiplied by the probability of achieving wanted recognition. This means that recognition on its own is not enough to motivate if it is associated with negative expectation of outcomes. This theory also suggests that motivation cannot be built by only supervisor's effort, as the employee himself chooses which of the outcomes has most individual value. (Juuti 2006, 49-50.)

When the expectancy theory is used to evaluate work motivation it is important to investigate what sort of consequences the employees think are connected to working in the organization. If the person feels that they receive enough positive feedback and recognition like work safety, friendship and possibilities to express and develop one, they are more motivated to channel their energy in the good of the organization. However if the employees feel their work is connected with negative outcomes like boredom, fatigue, frustration or layoffs, they are not willing to pursue the organizational goals. Usually these sorts of people try to find alternative ways of doing their work and guide their effort elsewhere. Of course these factors are influenced by how important the employee feels the probable options are, for example forming relationships at work. (Juuti 2006, 51.)

According to Porter and Lawler striving for goals does not directly influence work input level but reflects the energy an employee is willing to sacrifice in goal attainment. The level of effort is dependent on the potential recognition and how probable it is for the person to receive the recognition. If a person values certain recognition and he believes his efforts will result in that, he is motivated to perform the task. Basically the only change compared to the original Vroom's theory was that not only the expected recognition is calculated but also its value for the individual. (Juuti 2006, 52-53.)

There are some concepts used in the expectancy theory which are the same regardless of the version of the theory. These are valence, expectancy and instrumentality. Valence refers to the preference of the expected outcome. In other words it can be described as the value and the expected benefit of the probable outcome. Valence can also be defined as attractiveness. So how attractive and important the outcomes are for the individual. This variable considers the goals and needs of the individual. (Juuti 2006, 49-50; Robbins & DeCenzo 2008, 275.)

Expectancy is the probability that things happen and that expected recognition is received. This concept also includes at which level individuals think they are capable of performing and if the required performance level is attainable. Instrumentality is that people recognize what sort of work input level results in wanted recognition. This includes also that employees recognize that with correct performance they will get what they desire. It has been researched that employees also consider if the promised recognition by managers is really achievable. (Juuti 2006, 49-50; The certified accountant 2008.)

### 2.2.2 The Lawler expectancy model

The expectancy theory by Vroom was not seen as complete. It did not distinguish clearly enough the expectancies associated with actions and outcomes. Lawler developed the theory in 1973 by defining the factors affecting work behaviour into two different categories; effort-performance and performance-outcome expectancies. Otherwise Lawler uses the same concepts used in the earlier expectancy theory. (Juuti 2006, 49-50.)

The effort-performance expectancies are the direct results of behaviour for example performing at a certain level. The performance-outcome expectancies are such as recognition. The valence for effort-performance expectancy is achieved through the instrumentality of securing the performance-outcome expectancies. These expectancies might be valuable as such, have valence, or because they lead to certain outcomes. Unlike the previous expectancy theories, this one also explains what determines the types of expectations people have. (Juuti 2006, 49-50, 53; Lawler & Suttle 1973.)

The following formula 1 can be drawn to illustrate the Lawler's expectancy theory

$$\Sigma((E - P)) \times \Sigma((P - O)(V)),$$

where

E – P = effort-performance expectations

P – O = performance-outcome expectations

V = probability of failure.

FORMULA 1 *The Lawler expectancy model*

Effort-performance expectations refer to the probability a person thinks they are able to perform tasks in relation to the efforts. In other words this means that a certain level of effort results in performance. These expectations vary from 0 to 1. If an employee thinks his chances of finishing a project in a given time is 30 per cent, the effort-performance value would be 0.3. (Juuti 2006, 53; Robbins & DeCenzo 2008, 275.)

The expectations on what sort of consequences result from work behaviour are called the performance-outcome expectations. In other words individuals believe that performing at a certain level will result in the valued outcome. These vary also from 0 to 1. For example if the previously mentioned employee thinks that finishing the project on time the likelihood of getting positive feedback from supervisor is 100 per cent and the likelihood of getting more challenging tasks also in the future is 50 per cent and there are no other factors involved in his thinking, his performance-outcome expectation value would be 0.75. This of course assumes that these outcomes are seen as positive and are both as valuable for the employee. (Juuti 2006, 53; Robbins & DeCenzo 2008, 275.)

To illustrate the expectancy theory better the Fundamentals of Management defines a certain set of questions that are linked to the expectancies and the concept of valence. “How hard do I have to work to achieve a certain level of performance? Can I actually achieve that level? What positive outcome will performing at that level get me? How attractive is this reward to me, and does it help me achieve my goals?” Based on this theory motivation depends on individual goals and their perception of relative worth of performing at a level to achieve those goals. (Robbins & DeCenzo 2008, 275.)

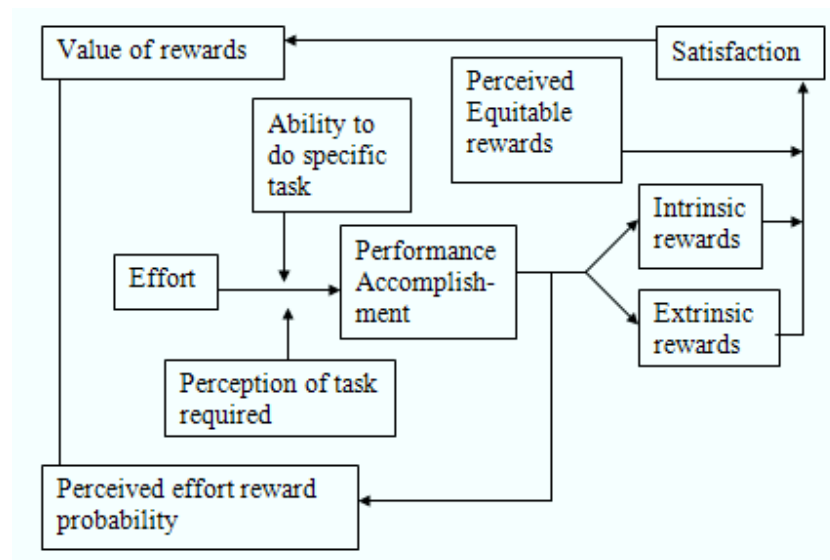


Figure 1 The expectancy theory by Lawler

The above figure 1 illustrates the expectancy theory. It states that the performance in a job is dependent on the effort put into it. The performance also depends on the individual's ability to perform and required skills for the task. The lacking abilities and skills affect the performance even though the effort would be high. Also individual's perception about the task and what sort of performance its completion requires influences the performance expectations. (Shah & Shah n.d.; Juuti 2006, 52-53.)

Performance results in intrinsic and extrinsic recognition e.g. feelings of content and supervisors' feedback. Satisfaction results if the received recognition correlates with employee perceptions. The valence of the outcome, so its value, affects the expectancies and is affected by the satisfaction to previous recognition. The value of the recognition as well as the expected recognition effects on the individual's further motivation and attractiveness to the specific task. (Shah & Shah n.d.; Juuti 2006, 52-53.)

More simplified version of the expectancy theory can be summed up to a four step sequence: individual effort, individual performance, organizational outcome and individual goals. The individual effort means the individual's motivation to perform. If the individual believes they are able to achieve the wanted performance level their effort-performance expectations are high. The next step is the performance. If the performance is at a correct level it will result in organizational recognition. First the employee evaluates the probabilities to achieve the recognition which are the performance-outcome expectations. After receiving the outcomes the employee evaluates their worth, meaning the valence or attractiveness in relation to the individual's goal attainment. (Robbins & DeCenzo 2008, 276.)

The organizational outcomes may be positive, neutral or negative. Positive outcomes would be security, friendship, trust or a chance to use skills. Whereas such outcomes as boredom, frustration and anxiety are negative ones. However the most relevant factor is whether employees consider the outcomes negative or positive. When discovering motivation with the expectancy theory it is not relevant if the employee is wrong or right as they decide for themselves if they are willing to pursue a certain goal and its expected outcomes. Employee opinions are influenced by experience but also personality, attitude and needs. (Robbins & DeCenzo 2008, 276.)

### 2.2.3 Factors affecting the E-P and P-O expectancies

Each situation affects the effort-performance expectations. The interpretation of a situation might not always be right; however through experience people can better judge each situation. Communication with others also helps to interpret the situation correctly. This is why learning is one of the corner stones in effort-performance expectations. Learning helps people to form correct opinions of situations. The more a person has experience of a certain situation the better they can interpret it. It must be remembered that perceptions are a great part of these expectancies and even though the individual were wrong it would not matter. The effort-performance expectations are influenced by experiences so that people with a lower self-esteem cannot usually evaluate their abilities to succeed in a certain situation. Whereas people with stronger self-esteem are able to realistically evaluate what sort of effort is required for preferred performance. (Juuti 2006, 54; Robbins & DeCenzo 2008, 278.)

Experiences as well as conversations with co-workers influence the performance-outcome expectations. Also the attractiveness of each outcome influences the options and the outcome of the effort-performance process. The valence of each outcome weighs the outcome's importance. Factors like the person's ideas whether he is the only one influencing the decision or if he feels to be guided by circumstances and faith also affect the performance-outcome expectations. Studies show that intrinsic people, who believe that they can influence with their own behaviour how they are going to end up in life, believe that their performance results in recognition. Extrinsic people feel they are only guided by faith and do not believe their own performance results in the faced outcomes. This is why intrinsic people are easier to encourage with recognition than extrinsic people. (Juuti 2006, 55.)

The motivation process by expectancies is also affected by information and communication. Meaning that an individual should be aware of what is expected of them for each task to be able to evaluate their possibilities to excel. The employees should also be aware of what sort of performance level is considered normal, meaning how they can be better than others and show the true valence of the probable outcome. This is why the organizational outcomes to each task should be clearly presented. (Robbins & DeCenzo 2008, 278.)

### 2.2.4 A practical example

To visualise the expectancy theory better, a practical work related example will be presented. When employees start a new task, usually they want to know what is expected of them and what tasks the new position includes. This is one of the reasons why the job description is one of the first things explained to the new employee. Also the projects with deadlines are presented and their evaluation criteria are told. The evaluation criteria in a work organization usually deal with how well the results correlate with the project's objectives. Usually the employees already have some sort of a vision how much effort they need to put into this task to complete it in given time frame and also to obtain the preferred outcomes. The employees would also consider what these preferable outcomes mean to them in the future, whether they have possibilities to gain recognition and be promoted. What if the employee places the effort he thinks is enough to succeed and nevertheless fails?

In this example, performing the work tasks is equal to effort in the expectancy theory. In the theory, completing the task in a given time frame would work as the performance and getting appraisal from the supervisor as the recognition. The individual goal in this case would be getting promoted. The performance-outcome expectations are influenced by perception. This employee thought that with a certain amount of effort he should be able to succeed in his tasks. However he did not. If the employee feels that he did not get the appropriate recognition from the task and was evaluated somehow wrong the performance-outcome expectations would be low.

The effort-performance expectation in this example was first high as the employee wanted to perform well. However after the low performance-outcome scores, it is well expected that the employee would no longer want to place that much effort as he felt the outcome was somehow unfair thus the valence's value decreases. After this incident the employee might reason that they could not have done any better as they for example have never studied SAP basics, which would have been of great use in this project. They might also reason that the supervisor just does not like them. This means that the effort-performance expectancies would be very low in the future. Bearing in mind the valence of this outcome, so the attractiveness of being promoted which would be high, the employee would feel misfit and unmotivated to perform related tasks in the future.

### 2.2.5 Work satisfaction

In 1968, Porter and Lawler redefined the expectancy theory to correlate better with job satisfaction. They assumed that work motivation, satisfaction and work input are separate factors that are not correlated with one another as traditionally was thought. According to Porter and Lawler work input results in work satisfaction which is not only dependent on work motivation but also on the capability to perform. (Juuti 2006, 52.)

The work satisfaction theory is very closely tied to motivation, as satisfied people are usually more easily motivated to perform their tasks more efficiently. Unlike the famous motivation theory by Herzberg, Lawler takes into account not only what sort of satisfaction employees get but also how they expect it should be. The simplified idea is that a person compares what he gets to what he should have gotten. (Juuti 2006, 29, 32.)

This model assumes that the same factors influence satisfaction towards recognition, the supervisor and the content of work. Recognition includes both internal and external matters such as appreciation and acceptance. According to this model a person is satisfied with his work when he receives as much recognition as he thinks he should receive. So the expectations are met. If an employee receives recognition over his expectations he will feel guilty whereas when he does not receive enough he becomes unsatisfied and frustrated. (Juuti 2006, 29.)

The estimate on how much a person thinks he should get recognition is influenced with the actual received recognition and the amount his colleagues get. In other words it is influenced by the person's experiences on what the people close to him have received in his opinion. Also work itself is the subject for evaluation and comparison. The estimate on how much a person deserves recognition is based on comparison to their colleagues. So this model assumes that a person is all the time calculating how much recognition the people close to them get, in comparison to their work input. Especially the

input a person gives to their work tasks. Input includes education, knowledge and performance. Also responsibilities affect the assumption how much a person should get recognition. (Juuti 2006, 29-30.)

According to this theory people rarely feel that they receive too much recognition. This is due to the fact that there are always people who seem to get more. Usually people also appreciate their own input so much that they feel they are making a greater effort and doing a more valuable job. (Juuti 2006, 30-31.)

The most common mistake is to assume that if a person is satisfied with their work they will be more productive. The correct assumption is that if a person is satisfied they are more easily motivated into being more efficient. Studies have however shown that there is a small positive correlation between the work satisfaction and work input. According to Lawler and Porter the positive correlation is only due to the fact that a job well done creates satisfaction and not the other way around. The model takes into account also the external and internal recognition received, like in the theory of work satisfaction. It also assumes that work satisfaction is in correlation with the expected value of recognition, so if the expected recognition is gotten. (Juuti 2006, 32-33.)

### 2.3 Work content in relation to motivation

As discovered the expectancy theory assumes that work content also influences motivation. The job description should reflect an employee's desires to be motivating. The personnel should also feel somehow connected with the organizational goals and accept them as meaningful challenges. The feelings of success and development while striving to the goals of the work process motivate greatly. (Juuti 2006, 66.)

The traditional work used to be physical, in shifts, simple routine tasks with close observation from supervisors. However today's knowledge and innovation driven organizational culture requires employees to be committed and work unprompted. According to Juha Kontiainen and Antti Skyttä (2010, 51) the development of the knowledge level increases work boredom. Employees should be able to change tasks right after the current one does not require that much effort to be completed. Thus, work diversification horizontally and vertically offer opportunities and motivate the employees with longer-lasting effects. Lawler has also stated that the more a work includes central components, the more satisfied people are with their work. (Juuti 2006, 66; Kontiainen & Skyttä 2010, 51.)

### 2.4 Criticism to the rational motivation theories

Most of the work motivation theories developed after the Second World War emphasise the rational thinking of humans. Also the expectancy theory belongs to this category even though it also includes some aspects of other



motivation schools. Rational motivation theories exclude the importance of instincts and subconscious things. It has been appreciated that the theories are not only based on subconscious aspects, nevertheless human behaviour is also affected by subconscious matters and instinct. These should not be totally left out in any theory concerning motivation. (Juuti 2006, 65.)

Rational motivation theories have been criticized to have left out the mysterious side of everyday life. It must be remembered that individuals as employees act different in a very narrow themed environment compared to normal life and that is why rational motivation theories suite the best for researching work motivation. Also the unpredictability has been minimized in work life by organizational rules and regulations. Even the equality issues accentuate the diagonal, ageless and genderless portrait of a human. People are supposed to act in a working organization as if they were not women nor man, young or old, excited or not. (Juuti 2006, 65.)

The diagonal picture of a man creates predictability and eases the ways of working in the organization. Even the working language is general and mostly common to all. At the same time we have lost some central features of humanity. Current working organization cannot however lean on this working culture if creativity and innovation is emphasized. Genuine know-how and creativity stems from the individuality of man. It is important to use the knowledge, skills and calmness of older people to unite with the younger ambition and excitement to form new more efficient ways of working. These sorts of tensions are usually left out in the rational motivation theories. (Juuti 2006, 65.)

The studies by Heneman and Schwab in 1972 have researched work motivation and found they offer support for the Lawler model. Also other studies have been made to find out the accurateness of the expectancy theory and the findings support the expectancy theories validity. This is perhaps one of the reasons why the expectancy theory is one of the most used work motivation theory. (Lawler & Suttle 1973.)

Vroom's expectation theory is criticized that it does not define and distinguish actions from outcomes clearly enough. This is the same reason why Lawler decided to work on the model. Some critics claim that different types of expectancies are not associated well enough with either outcomes or actions. The surveys do however show some sort of mixed support for the earlier model as some of the relationships between expectancies and effort are present. Nevertheless weighing expectancies with a valence does not receive much support according to some critics. Some studies even show that expectancies could as well be weighed with a constant. The studies suggested though that knowing what sort of recognition is received from what performance increases expectancies. (Lawler & Suttle 1973.)

### 3 MOTIVATION STRATEGY AT UPM

In the following chapters the concept of high-demanding employees is discussed and the current motivation strategies at UPM are explained. The strategies are divided to the ones related to organizational goals, employee needs, employee qualities and the organizational values. Also the concepts of a motivating leader and employee involvement at UPM are discussed. Throughout this chapter the motivation strategy at UPM is discussed in correlation with the principles of the expectancy theory.

#### 3.1 High-demanding employees

As the research question stated the employees at UPM SC Tampere are seen in this study as high-demanding. This is because they have been accustomed to being treated extremely well. In Finland especially the paper labour unions have taken actions to ensure the best working conditions for their employees. Various compensations are one of their biggest achievements; however UPM also offers a vast pallet of non-monetary benefits for their employees.

The employees at the SC are offered flexible working hours. This means that employees have the chance to come to work and leave during certain hours. The employees register when coming or leaving the office so that all working hours are calculated and possible overtime hours are accumulated. These overtime hours are not paid as traditionally in organizations but employees have the chance to leave the office early or then sleep in late. When there are enough overtime hours, an employee can agree with the supervisor to have a day off.

Another perk is a mobile phone, which is also allowed for personal usage. The phone correlates with the flexible working hours as the SC is still bound to offer service and be reachable between certain working hours. There are a lot of workers from around Finland, so offering the flexible working hours offers employees the chances to work when they want and can. For example people commuting by train might work 15 minutes overtime every day due to the train schedules. The worker is then able to, for example, leave work an hour earlier once a week. This is a great advantage for those who spend many hours daily in commuting. Some employees have also the chance to work at a local mill once a week. This means that on that one day the employee does not need to travel to Tampere for work.

All of the above mentioned efforts are used to motivate employees. As the employees are already used to these extensive motivation methods, they are that much more difficult to motivate more. People get used to certain ways of treatment and start to hold it as standard level and whenever these standard methods deteriorate the employees feel discontent. To sum up the employees

at the SC are high-demanding as they have already been accustomed to a high standard level of treatment. Also the great organizational changes and extensive layoffs have decreased trust and thus also motivation. This is why the employees need extra attention when improving the motivation techniques and can be called high-demanding.

### 3.2 Motivation efforts in relation to organizational goals

The three organizational goals of UPM are to attain profitability in Europe, penetrate new growing markets and new business areas. All of these goals are accompanied by specific HR goals according to the UPM human resources material. (UPM HR Internal 2009.)

The human resources strategies to achieve the previously mentioned goals are firstly to develop an achievement oriented organizational culture. This is sought through rewards and bonuses gained through met targets. (UPM HR Internal 2009). For example for the planning teams in the North Europe Supply Chain Centre, one of their goals is to decrease common stock at the mills. Whereas the sales organizations abroad have a target to place as accurate sales forecasts as possible. Both of these targets are easily assessed if they have improved. Certain percentage can be compared to another and see if set targets are met. Setting targets with clear evaluation criteria should motivate the employees according to the expectancy theory. When knowing the targets employees can better evaluate how meaningful they are to the individual. Also knowing the evaluation criteria aids the employees to assess the needed skills for task completion and succeed in the most important goals according to the expectancy theory. (Juuti 2006, 49-50.)

The strategy to attain achievement oriented organizational culture is executed with empowerment and clear target setting as well as feedback. According to the expectancy theory feedback and recognition are the most important components in work motivation (Juuti 2006, 52-53). Leading should also be based on empowerment. The UPM leaders should renew their leading to be more in line with the new organizational values. It was discussed in the material of the HR department that an achievement oriented workplace can be reinforced with recognizing leader potential and developing it. Attention should also be placed upon the well-being of employees to motivate them. There are also new electronic leading tools that supervisors should take advantage of in daily leadership. (UPM HR Internal 2009.)

Another strategy was to build an organization that corresponds to the organizational needs. The organization should be quick to react to changes and build purposeful organizations or teams to solve the problem. The centralization of services into Supply Chain Centres should reinforce the goal of decreasing unnecessary hierarchical layers thus speeding up decision-making. The supply chain brings the employees together, which enhances the feeling of working as a group to attain common business targets. The

expectancy theory does not mention as such working in a group as a motivation technique however decreasing hierarchy and increasing empowerment can for sure improve motivation if an individual thinks they are valuable. (UPM HR Internal 2009.)

To encourage and motivate the personnel to reach for the UPM's organizational goals a quick learning organizational culture should be build. The culture should be aligned with the core business operations. Employee competencies should shift to moveable, common competencies. This also ensures and eases the follow-up and back-up situations and creates feelings of importance for the individual. Penetrating new markets requires knowledge from the desired market. The competencies that these markets require should be developed. It is worthwhile to educate employees as it increases feelings of importance and value. Thus also motivation improves. (UPM HR Internal 2009). It has been recognized also by the expectancy theory that having the necessary skills to perform a specific task influences motivation a lot (Juuti 2006, 52-53).

To achieve the targets of UPM, HR has identified some growth areas in their own functions as well. Personal performance review, PPR discussions with employees ought to be broadened to ensure more quantitative and qualitative results. The human resources should be based on right attitudes and the ability to lead people. Recognition systems that support organizational goals should also be reinforced. To motivate employees in line with this goal, the possibilities to develop competencies and advancements in the career path should be continuously supported. (UPM HR Internal 2009.) Developing a career path is greatly supported by the expectancy theory. (Juuti 2006, 52-53.)

### 3.3 Motivation strategy dependent on employee needs

The human resources department has formulated a guiding material about the motivation of employees. It is designed to support the managers at UPM at daily motivation and leading. Different things motivate different people so the material is a general view of the most common methods and situations. In every situation the employee should be discussed with, to find out which methods motivate each employee. The supervisor should decide, after the individual co-operation with the employee, to which extent it is reasonable to motivate someone. Of course also the local legislation needs to be taken into account when pursuing the motivational efforts. (UPM HR Internal 2010.)

A motivated employee is the most important and the critical success factor when considering business success according to the HR motivation material. Recognition is seen as an important method and an essential part of every supervisor's roles. With recognition, it is possible to improve the working morale, increase productivity and create excitement and motivation. Especially the non-monetary recognition is valuable and it does not cost anything to be considerate. The important thing is to adjust the efforts to what

each employee appreciates and values. (UPM HR Internal 2010.) The expectancy theory supports the different approach styles depend on employee qualities as each employee holds different things in value and is thus motivated by different things. Recognition and other motivation efforts should be in line with the individual's performance and behaviour. (Juuti 2006, 49-50.)

Recognizing employees as individual, rational thinkers is also the basis of the expectancy theory (Juuti 2006, 49-50). So the motivation methods used at UPM correlate to this theory. Motivation-wise, it is important that the employee has a meaningful job description with such tasks that utilize his full potential and are valuable to him. It should be assessed with each employee which matters are the most important and most motivating ones. UPM has established motivation examples concerning matters in work, people, organization, the balance between work and private life, development opportunities and recognition. These are more thoroughly discussed below. (UPM HR Internal 2010.)

### 3.3.1 Work

The work description should be adjusted to match employee needs as well as possible. Setting up clear and challenging targets is a good way to motivate an employee. The targets should not be however unrealistic but achievable. The employee should be given enough power to accomplish these targets so that they would feel certain ownership against the target. This also creates feelings of independency which can be highly motivating to some employees. The targets and the work itself should be entwined with the corporate strategy. (UPM HR Internal 2010.)

The work should allow the employee to do non-routine tasks. It is important to have some variety in daily work for it to be motivating even though some people might appreciate it that every day is the same as the other. The guidelines also suggest that employees should have time to participate in different seminars. To create more diverse working experiences job rotation is also offered as a motivation technique. At UPM the different open vacancies are announced through internal channels. All current employees are screened first for the open job. (UPM HR Internal 2010.)

Another option to establish motivation through work is to offer project work possibilities. They can be short or long spanned, depending on the situation and employee's capabilities and wishes. Business travelling has also been found as a possible motivator. Especially for long distance workers who might have the chance to spend for example one work day at their local mill. The travelling can also be to a foreign country giving the employee an opportunity to learn about different cultures. UPM may also provide opportunities to work in its different locations globally. (UPM HR Internal 2010.)

### 3.3.2 People

The atmosphere in a work organization is one of the most important motivators. Co-workers and the overall team spirit can enhance motivation a lot. This can be improved by team events, for example a sauna evening or other recreational event. Events organized or initiated by the employees are valuable motivators as it enhances team spirit. There should be an attempt to also mix different teams to improve awareness about the other teams. Such simple events as coffee breaks can also be used to form and improve atmosphere across functional teams. (UPM HR Internal 2010.)

The supervisor should have the support from its team and vice versa. The supervisor should be easily approachable and seen in everyday working. The team members should also support each other. It is motivating to know that an employee is never alone with the work related pressure and stress as there are co-workers who can share the load. Accepting mistakes and offering the chance to try out new things is mentioned as a motivator in the UPM guidelines. (UPM HR Internal 2010.) It is however important to train and educate employees to the new tasks and challenges they wish to take upon. Otherwise the pressure might be too much.

### 3.3.3 Organization

The work offered to each employee should be meaningful and in balance with the person's own values to enhance motivation. A leader that is present is also a motivation factor. The manager should not only be visible in meetings but also during the day they should go around and just chat with the employees. (UPM HR Internal 2010.) For example the manager of the SC Tampere circles at least once a week through the offices and says hello. It makes the supervisor more easily approachable.

The communication in written form should also be thought upon. A certain level of authority needs to remain but the messages should have some sort of personal touch to them. All communication should also be honest and open to create a good basis for a motivating working atmosphere. If important matters are held back or informed too late it will create feelings of betrayal and frustration. Treating people well also in challenging circumstances is important to show the support. (UPM HR Internal 2010.)

Family events, charity work, work health campaigns and winning in a contest are named as opportunities for the organization to encourage and motivate the employee. The public employer image, ethic corporate culture and leading by example are also named as methods worth trying when attempting to motivate. (UPM HR Internal 2010.)

### 3.3.4 The balance of work and private life

Showing and improving flexibility to working life is important when balancing work and private life. The balance of these is one component of work motivation. Offering chances to remote work is a good way to show flexibility. Flexible working hours have been adopted at SC Tampere to improve motivation. It offers the chance to come to work and leave between certain hours. There is also a system that counts how much you have worked overtime which allows you to work shorter days within the limitations of the working hours. (UPM HR Internal 2010.)

Giving time off to study or taking a leave of absence, are also options to improve working happiness. Arranging a back-up during the holidays is important for the employee to stay motivated. An employee should not feel guilty about taking time off but feel reassured that everyone's work has been arranged to accommodate the mutually agreed absence. Days without email and days without meetings are also methods to consider in order to improve motivation. (UPM HR Internal 2010.)

### 3.3.5 Development opportunities

Giving the opportunity to try out new things and broaden the employee's way of thinking are chances for the employee to develop. It has been discovered that taking up new challenges and giving variety to a normal working day is very motivating. It should be discussed with the employee how they feel their capabilities correspond to the new tasks. Employees should feel their capabilities and assets are fully utilised and are planned to be used in the future. Development plans are an important part of long-lasting motivation. Discussing about the wishes and opportunities with the employee creates feelings of importance and of employer interest. (UPM HR Internal 2010.)

Improving creativity and personal growth are also methods to be used in motivation. Increasing responsibility is one way to offer development opportunities for the employee. The employee should also see the results of their work done and that their initiatives are supported. Training and mentoring should never be forgotten when offering more responsibilities. The employee should always have the necessary skills to perform his tasks otherwise it might not be motivating. (UPM HR Internal 2010.) Having the required skills to perform a task also influences the effort-performance expectancies according to the expectancy theory. Development can also be the assisting or back-upping a co-worker. (Juuti 2006, 53.)

When the organization wants to show their support and dependence to the employee they can invite the person to represent the organization or hold a presentation to an important viewer group. The supervisor should also offer positive feedback when the employee's peers are present. The concept of 360°

feedback is a very important motivation tool. Helping to create networks is also an important tool to motivation. (UPM HR Internal 2010.)

### 3.3.6 Recognition

Showing appreciation to work done is important to motivate employees. It is not enough that the employee themselves know they have done a good job, it is always encouraging to have the recognition from supervisor. Supervisors should try to show their gratitude daily. Positive feedback and unexpected recognition is important for the employee to stay motivated in their tasks. Employees should feel that they are important in their employer's mind. Also getting recognition from higher authorities is a useful way to motivate. (UPM HR Internal 2010.)

A simple 'thank you' is a very cost-efficient way to keep employees motivated. The recognition should not however be unjustified or said only because it is needed. It should be truthful and honest to be motivating. An employee usually knows himself if they have done something well and when they have only performed at a lower standard level. (UPM HR Internal 2010.) Also the satisfaction theory (Juuti 2006, 29) supports this idea that an employee is aware of their own results and input. Employees compare and evaluate the feedback they receive to that of their co-workers. Encouraging and constructive feedback are good ways to pick up the employee to higher performing level and then offering the gratitude of work well done is more useful and fruitful.

### 3.4 Managing motivation with different employee qualities

It has been recognized in UPM that not all employees are motivated with same efforts. Motivation is dependent on the things employees' value but also on their personalities. UPM has established a set of methods how to motivate and lead employees correctly according to their work input. In the UPM HR material different team members in the organization have been divided into potential key assets, developing talents, experts and under achievers. (UPM HR Internal 2010.)

The three best ways to develop future leaders according to the internal motivation material by UPM HR (2010) are to surround them with correct people, show the organization's commitment and add challenges to daily work and learning. These are not mentioned as motivators in the expectancy theory. Interaction with others is only mentioned as a means of gaining experience on own capabilities as well as comparison data to evaluate the rightfulness of received recognition. Challenges might be a motivator to some, however the expectancy theory discusses motivation through targets that are meaningful for the individual and not as such on their content or difficulty. Forming different motivation techniques to different employees is an important tool



according to the expectancy theory as motivation is dependent on the valence a person evaluates each expectancy has. (Juuti 2006, 49-50.)

### 3.4.1 Potential key assets

To develop potential key assets, it is important to offer challenging goals and objectives as these types of employees are a benefit for the company in the long run. Such tasks should be offered where the employee can nominate himself for the job as a volunteer, for example projects. This increases also the job variety so that the person is not too long in a same position. Job rotation is another option to add variety in tasks and to increase horizontal career development; other motivation methods should also be used. The tasks may include the developing of supervisor qualities. It has been discovered that including international tasks to normal working routine increases job satisfaction and motivation. Potential key assets should also be encouraged and motivated by establishing a visible career path and show clearly the future development opportunities. (UPM HR Internal, 2010.)

The work input of employees belonging to this category should be recognized and ensured that it is done efficiently. This kind of people should be encouraged also by offering job opportunities with more experienced co-workers. This is a good way for the most likely enthusiastic employee to learn more and develop to become an even more useful asset for the organization. Training and internal mentoring are further ways to motivate the employee. (UPM HR Internal 2010.)

### 3.4.2 Developing talents

The personal performance review discussions, PPR, are a good way to motivate developing talents. Usually a development plan is formulated in the PPR discussions and this especially enhances motivation. The future opportunities and wishes should be clear to both parties to ensure the right tasks. It is also worthwhile to offer such tasks that are a bit more challenging and such that might cross team or function interfaces. (UPM HR Internal 2010.)

Sharing responsibilities is important in motivating developing talents. According to the UPM guidelines, supervisors should delegate more to this type of employees. Job rotation is as important for developing talents as it is for potential key assets. Learning while doing should be supported and the supervisors should notice employees' development opportunities and possible steps needed to reach them. Feedback is important when motivating all employees, however UPM has emphasized that for developing talents feedback should be straight-forward and honest. (UPM HR Internal 2010.)

### 3.4.3 Experts

Employees who know what they are doing are called experts. Supervisors should take special care of these employees and lead them. It is important to listen to the employees own opinions and adjust development plans according to those wants and needs. Experts are more easily bored with their tasks when they are no longer challenging enough and that is why supervisors should encourage these experts to take on new tasks and responsibilities and try out job rotation. Another possibility for experts to take on new tasks would be to participate in new projects. Supervisors should motivate experts by offering recognition. (UPM HR Internal 2010.)

### 3.4.4 Under achievers

It is important to analyse first why the under achievers are acting the way they are. It might be the case of the wrong task, personal reasons, not enough or too much challenges or problems with the group dynamics or with the supervisor. Also under achievers should receive honest feedback and they should be given a chance to explain and give their own opinions of the situation. Supervisors should offer clear short term goals and the process should be monitored according to the UPM guidelines. (UPM HR Internal 2010.)

It might be useful for the supervisor to rearrange roles and responsibilities. If the employee is moved to a new task, he should be supported throughout the change process. If none of the efforts improve the situation, the employee should be denounced following the UPM process for under achieving employees. (UPM HR Internal 2010.)

## 3.5 New values of UPM in correlation to motivation

Personal values are such that guide our behaviour. In organizations the corporate values need to be defined. To redefine the values at UPM a questionnaire was sent to all employees. Through the results and the corporate goals the new values were formulated and incorporated in spring 2010. It was stated that it is crucial that the corporate values align with personal values to make them more important for the employee. This correlates also with the expectancy theory as the personal values are most likely important for the individual which means also the corporate values are something to strive for. The new values of UPM are “Achieve together”, “Renew with courage” and “Trust and be trusted”. These new values should guide the behaviour of all employees. (UPM 2008d; Juuti 2006, 52-53.)

### 3.5.1 Achieve together

This new value of UPM is meant to accommodate group work to daily working. The themes in this value are actively support and develop team spirit, create and commit joint targets, hold each other accountable for results, share your ideas and learn from others and support and challenge each other. (UPM 2008d.)

It has been acknowledged that challenging work is more motivating. It should not be too challenging but require enough effort from the employee to stay focused and motivated. Learning from others is crucial also to reach the organizational goal of creating a learning organization. This can also create feelings of worthiness and importance when someone is able to teach another employee something new. Support is greatly needed from supervisors and co-workers to introduce this value. (Juuti 2006, 36; UPM 2008d.)

### 3.5.2 Renew with courage

The value of renewing with courage encourages employees to take action in matters they think are currently handled wrong or inefficiently. This is also a way of empowerment which motivates employees. Taking risks and learning from mistakes is one key aspect of this value. It should motivate employees to take their chances in renewing themselves as well as taking decision making power. Creating an understanding of the big picture is also important for this value. To know what are each other's duties and responsibilities enhances the possibilities to make decisions in own territory. (UPM 2008d.)

Employees should be open to learning new things. This should assist in widening the work description and also the targets of broadening work horizontally as well as vertically. The value includes a statement that employees should challenge the status quo and take initiative and to be proud of their work. If these are taken into action they should be very motivating. (UPM 2008d.)

### 3.5.3 Trust and be trusted

The value trust and be trusted is divided in more depth to taking responsibility and being accountable, keeping promises, respecting others, embracing diversity, involving and empowering others and trusting their capabilities. It is important for employees to be open, honest and communicate a lot to incorporate this value. (UPM 2008d.)

Taking responsibility and being accountable for decisions made might be frightening for some employees. However some might find this as encouraging taking actions in making matters better. Keeping promises and respecting others are important to create an open and trustworthy atmosphere, which is usually seen more motivating. (UPM 2008d.)

### 3.6 Motivating leader

The partnership between leaders and the HR functions is very important. Supervisors are the first and most important contact for the employee in HR matters. The supervisor is in charge of leading their employees; for example the supervisor chooses the correct people, ensures that targets are set and that the staff is developed. Supervisors should also offer feedback and coach their subordinates. The human resources department supports supervisors to achieve these goals. (UPM HR Internal 2009.)

The leadership principles at UPM are to search for new perspectives, guide the common way, develop the right people and accomplish with determination. These principles are defined by UPM leaders as common required behaviour for all employees in management positions. These are required to be more consistent in leading styles and to manage in the changing business environment. (UPM 2008c.)

It is desired that UPM leaders would search for new perspectives, so thinking out of the box. The current business environment requires proactive actions and always searching for new and better ways to lead employees to achieve organizational goals. Guiding the common way and sharing the direction is essential for the employees to know where the organization is heading at. (UPM 2008c.) If the employees do not know where they should move, they most likely choose the option most preferable to them.

Developing the right people is essential to keep employees motivated. If a person is capable of doing also other tasks they should be appropriately assigned and educated to for example more challenging tasks. Empowering employees and making them accountable for decisions and actions are easy ways to develop the employees. Taking into account all the previous principles, implementing with determination is very important to maintain the made changes and the selected route to success. The supervisors need to set an example with their own behaviour and set clear targets for the team so that they are easy to follow and are motivating. (UPM 2008c.)

The importance of a motivating leader is not that much emphasized in the expectancy theory. However it identifies that leaders need to set up clear targets for the goals to be achieved and also let the employees know what sort of outcome is expected. The leaders should also develop the employees' skills needed for the completion of each task. Throughout the process the leader should also offer feedback and recognition to ensure motivation stays at the correct level. (Juuti 2006, 52-53.)

### 3.7 Employee involvement and motivation

To involve and empower employees in decision-making UPM supply chain centre has taken an active part by establishing the Way Forward work groups

and meetings. These first started after the centralization of the supply chain. The first meeting was in May 2010 and the second in September 2010. These days were facilitated by Innotiimi, an organization specialised in team working and motivation.

The manager of the Supply Chain was present and held the first speech that started with encouragement and success stories and ended with the description of future plans. Throughout the day of the second session, employees were asked to indicate with a meter on scale from 1 to 4 how satisfied they are with their workload.

In the second Way Forward day a process fair technique was used. First participants were divided into teams that visited different stands. The first stand was to think for 20 minutes about the next stand's subject. Such questions were asked as what is weary, what does not work and why, what works and what is good. Then teams continued to the next stand where again 30 minutes were given to discuss the subject with a process expert. Then again 10 minutes were given to think about the previous stand and answer questions what was cleared up and good, what unclear and bad, how to develop this matter and what would it require from me. Then again 20 minutes were spent thinking about the next stand's subject.

This rotation was continued until all eight stands were visited after which the people were invited to gather together to think about the most important matters on each subject. Those matters were again discussed in smaller teams to come up with action proposals as to how they are going to be improved, by whom and in what schedule. These schedules have then been followed. Through this process everyone has the chance to influence and also ask questions.

## 4 CURRENT LEVEL OF MOTIVATION

In this chapter the methods in receiving empirical evidence on the SC's employees' motivation are discussed. Also the procedure and the sample size of the conducted questionnaire are elaborated. The questionnaire answers are analysed under eight topics according to the results in appendix 3.

### 4.1 Method

To gather empirical evidence on the current motivation of the employees at Tampere SC a questionnaire was formulated. The questions were based on the theoretical knowledge presented in this study as well as the current UPM ways to motivate employees. The questionnaire was formulated according to the principles presented by Burns and Bush (2006, 301). First objectives were determined, then the data-collection method was chosen after which the questionnaire was developed. After the questionnaire was evaluated, it was sent to the head of the SC for approval.

The questionnaire was pretested with three employees. After each pre-test the questionnaire was corrected to be more clear, understandable and objective. The finished questionnaire was set into Webropol which offered an anonymous source from which a link for respondents could be sent. The data gathering continued for the first week of October in 2010. (Burns & Bush 2006, 301.)

#### 4.1.1 Sample size

The questionnaire was sent to all employees at UPM Kymmene Supply Chain Centre Tampere. This sample was chosen as it was big enough to offer valuable results but also small enough to be reasonable to investigate. Also the head of the Supply Chain was very interested to have the results concerning his employees, so this sample was seen as the most beneficial also for the commissioning organization.

The sample size was about 100 employees, which includes everyone in the organization from trainees to high-level managers. There were 76 respondents to the survey so response rate was about 76%. This was considered to be a comprehensive sample in the researcher's and the commissioning organization's view. The results can be used to formulate an overall picture of the motivation at the SC. Some classifying questions were in the beginning of the survey to formulate an overall picture of the personnel. No screening questions were needed as the whole personnel in the supply chain were investigated. (Burns & Bush 2008, 311, 313.)

### 4.1.2 Procedure

The questionnaire (Appendix 2) was formulated to Webropol and a link was sent to all respondents through the researcher's corporate email. The cover letter (Appendix 1) explained that all answers were to be dealt with anonymously and no individual answers were going to be used but only a general view is to be presented. The questionnaire was sent out from an unbiased source that did not record the source of the answer. It was also made clear in the cover letter that all answers are confidential and they cannot be tracked back to the respondent. The incentive for employees to answer the survey was that it did not take long to answer and secondly it was mentioned that the respondents would then assist the researcher to graduate.

The questionnaire included eighteen questions of which four were classifying questions. Thirteen questions were multiple-choice with response scale from one to five. There was also one open-ended question in which employees had the chance to write whatever they had on mind concerning motivation. There were altogether 28 responses to the open-ended question of which most were valuable. To other questions there were 76 responses to each which means that all respondents answered to all questions. The questions were carefully formulated to be as unbiased as possible. The questions should not lead to a specific answer. The questionnaire was screened and accepted by the Head of the SC and the organization's needs and wants were taken into account when designing the questions and arranging their order in the questionnaire.

### 4.2 Classifying questions

The first four questions were classifying questions. According to the survey only 16% of the respondents were male, so most of the workers at the SC are female. Approximately 85% from both male and female respondents have worked previously for UPM before being assigned to the SC. For these respondents the mean working time for UPM was 13 years. So most of the employees have been working for the company for quite some time and were pulled to Tampere from previous sites of UPM. Only 23 were new-comers to the concern. Almost all respondents to the survey were Finnish. There were only 2 respondents who indicated being foreigners.

### 4.3 Clarity of work

According to the expectancy theory employees should be first of all aware of the goals expected of them to be able to evaluate their possibilities to excel. Clear target setting is also one of UPM's organizational goals. The question 5 "how clear are the following to you" was established to find out how well the employees are aware of their job description, tasks and responsibilities and the organizational objectives of their team. The scale was from one to five, one being I do not know this and five I am fully aware of this. The figure 2

illustrates the answers in percentage to each option. (UPM HR Internal 2010; Juuti 2006, 49-50.)

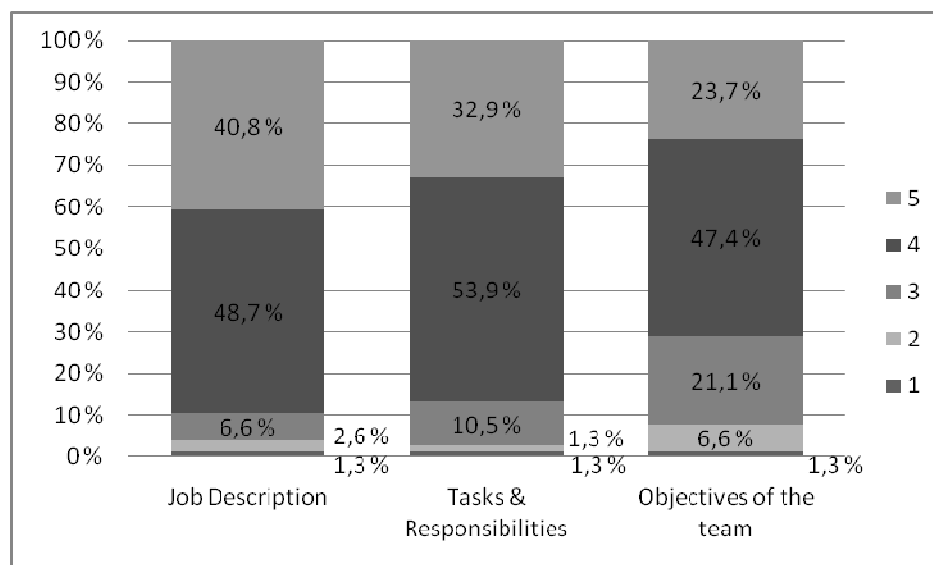


Figure 2 Clarity of work

It seems that job description and tasks and responsibilities are well known by all employees as most of the respondents thought they were aware of these. The objectives of the team were not as well acknowledged by the respondents. A fifth of the answers represented that employees are not sure what their objectives are.

In the open-ended questions it was criticised that employees are not aware of their job descriptions. It was also criticised that as people are not aware of own responsibilities the difficult jobs are left undone. Clear responsibilities should be stated. Some claimed that the job descriptions themselves are too vague and too harmonized at the supply chain. The job descriptions were seen to be better when supply chain positions were still performed by the mills. Clear targets were mentioned as good motivators.

The clarity of team's set targets and objectives were more thoroughly investigated with question 16. According to UPM these targets were set to motivate employees to strive for a common goal and thus they should be known and clear to all employees. Most of the respondents, 38.2 per cent, said that the targets motivate them somewhat to work towards them. Most of the respondents, 40.8 per cent, took however a neutral line, indicating they were not sure if they motivated them or not.

Almost all of the respondents did however respond that they know at least something about their team's targets. When asked if the targets are achievable over half of the respondents were not sure. Only 34.2 per cent of the respondents thought the targets are somewhat achievable. Most respondents



did not have an opinion whether the targets are supported by other functions in the organization however more responses were on the negative side than on the positive.

Table 1 Awareness of team's targets correlated with their other aspects

	1	2	3	4	5	In Total	Mean
I know my team's targets	0	0	0	11	4	15	4,27
Targets motivate me to work towards them	0	3	0	11	1	15	3,67
Set targets are achievable	2	0	0	12	1	15	3,67
Targets are supported by other functions in the organization	3	1	0	10	1	15	3,33
<b>In Total</b>	<b>5</b>	<b>4</b>	<b>0</b>	<b>44</b>	<b>7</b>	<b>60</b>	<b>3,73</b>

As described in table 1 those who indicated with either value four or five that they know their team's set targets gave lower scores for their motivational aspect. On average the value given was 3.67. The lowest value given was two, which was given by approximately 3.9% of the respondents. Even lower scores were given to the targets' achievability; even though the average score given was the same, 3.67. On top of this the respondents thought that the other organizational functions did not support well the achievement of these targets. The average score was 3.33. A value one or two was given by 5% of the respondents. Mostly however those who knew their team's targets also believed that they are motivating, achievable and supported by other functions in the organization. Those who knew very well their team targets gave mostly a value four for the other parts of this question. Values three were excluded in this comparison as they were seen as the "irrelative" option. There were altogether 38 respondents who chose value four or five on knowing the targets but chose value three for the other options.

#### 4.4 Work content

The survey was designed to research whether employees of the SC are motivated in their current tasks. Question number 6 was formulated to discover employees' own opinions on their motivation on a scale from one to five, one being not at all and five being very much motivated. Figure 3 illustrates the distribution of answers in the form of a pie chart.

Most of the respondents agreed that they are somewhat motivated to perform their tasks. A third was motivated and even 12 per cent thought they were very motivated in their current tasks. The results are encouraging as it is easier to increase motivation than to create it from nothing. This is also an opportunity to notice that there are employees who think they are not motivated. It is noticeable that 41percent of the respondents did not agree nor disagree, meaning there is a lot of need for motivation strategies. Luckily altogether only 13 per cent thought they were not motivated in their tasks.

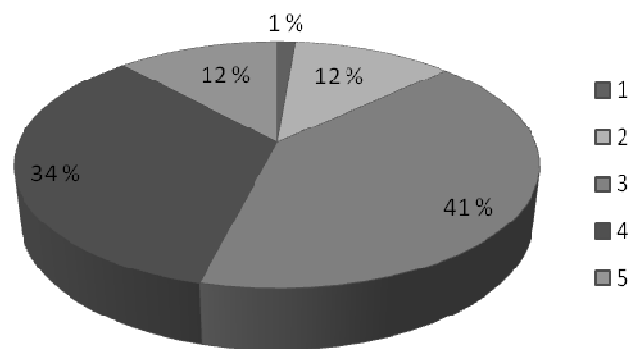


Figure 3 Motivation at work

The essence of the expectancy theory is that an employee is motivated to perform a task if the probable outcome is important enough. According to the expectancy theory the level of effort is also dependent on the potential recognition and how probable it is to receive that recognition. To reach the preferred outcome the employees need to perform well and be recognized by their employers. Recognition is seen as an important method and an essential part of every leader's role in UPM's motivation strategy. Question number 8 was designed to research if employees think that their performance is rightfully recognized. Meaning in the expectancy theory context that employees know their effort will be recognized and they have their chances to reach the preferred outcome. If the employee feels they did not receive the rightful recognition, the performance-outcome expectations would be low in the future for similar tasks. (UPM HR Internal 2010; Juuti 2006, 49-50.)

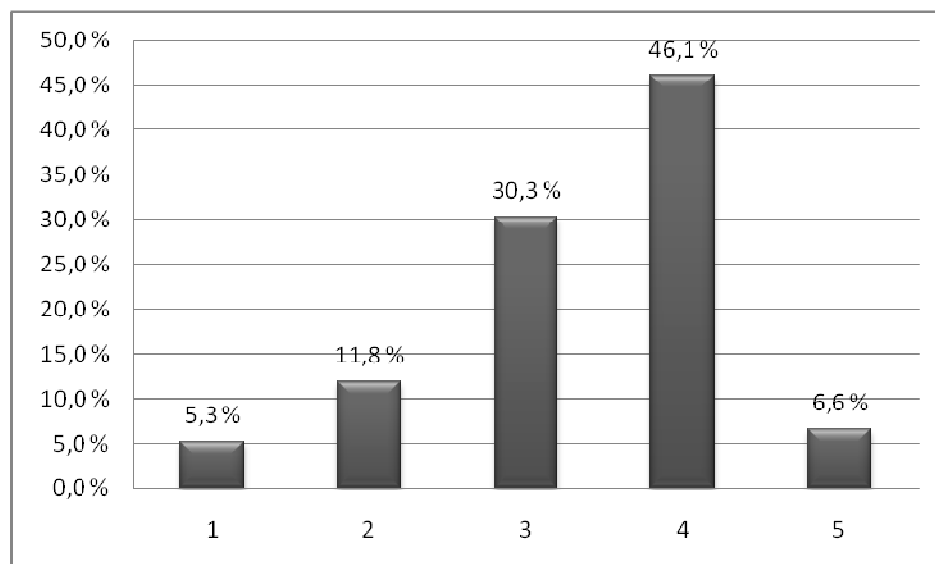


Figure 4 Performance recognition

Over half of the respondents agreed their work input has been rightfully recognized compared to their colleagues as illustrated in figure 4. The expectancy theory assumes that employees constantly compare the

recognition their co-workers receive compared to their work input. Based on those findings people estimate how much recognition their work input level should deserve. Altogether 76 employees answered this question and only five employees agreed totally with the question. This suggests that the instrumentality is high, meaning that employees are aware of what sort of work input level results in recognition. A third of the respondents didn't agree or disagree. According to the Lawler satisfaction model if a person believes he has received the correct recognition they will be satisfied. A satisfied person is always easier to motivate according to him. In the open ended question it was mentioned that the team's own supervisor underestimates employees' achievements. This was seen as a constant way of doing. It was said that the upper management seems to be interested, supports and listens however own direct supervisor does not. (Juuti 2006, 29, 49.)

### 4.5 Work outcomes

When the expectancy theory is used to evaluate work motivation it is important to investigate the consequences employees think their actions and performance has. Especially if the employees think their work results in negative or positive outcomes. If the perceived outcomes are positive employees are more motivated to channel their energy in the good of the organization. The negative and positive consequences to work performance were investigated with questions 9, 10 and 11. According to the expectancy theory people are motivated with most tasks that offer favourable outcomes. The perception of the outcomes negativity or positivity is individual. However those outcomes that would be commonly thought as negative or positive in the researcher's point of view were chosen for this question. The positive outcomes were also mentioned as motivators in the UPM's motivation material. The importance of each outcome affects motivation. It was assumed that the negative outcomes would have negative correlations. This is why only the positive outcomes' valences were researched. (Juuti 2006, 51; UPM HR Internal 2010.)

Question number 9 asked respondents to evaluate if they have ever experienced listed negative outcomes in their work on a scale from one to five, one being not at all and five a lot. Out of the 76 respondents 34 indicated that they have experienced work fatigue. Only three answers were to "not at all". When asked about work frustration answers were divided mostly for values from two to four. Approximately 13% indicated they have experienced a lot of work frustration and 25% somewhat. However altogether 32.9% said they have not experienced work frustration at all or just slightly.

The recent economic turmoil caused UPM to layoff quite a lot of employees also during the change from mills to the centralized service centre in Tampere. Despite this 53.9% of the employees at SC feared very little or not at all of layoff. There was however 30% who feared reasonably much of layoffs. The results show that a greater percentage of those who have been

working for UPM previously feared layoffs more than those who have not worked for UPM before entering the SC. The fear in both groups is reasonable enough to address. In the open ended answer it was criticised that continuous change strains. Especially as new changes are taken into action even before the previous ones have finished. Also the constant rush and sense of hurry was seen to result in negative outcomes.

Question number 10 was designed to find out the importance so the valence of the probable positive outcomes. The respondents were asked to evaluate six themes' importance on a scale from one to five, one being not at all important and five being very important. Such positive outcome as feedback from supervisor was evaluated to be very important. None of the respondents gave a value one or two for this option. Question 11 was formulated to see if these themes that are seen important are offered well enough at the SC. Among those who evaluated the feedback being important indicated on average 3.22 on how well it is offered as shown on table 2. All of the values got votes by the respondents and 3.9% indicated that they do not receive feedback from supervisor at all. Also 9.2% said they receive only a little feedback.

Table 2 Importance correlated with offering

	1	2	3	4	5	Total	Mean
Orientation to work	0	4	9	22	2	37	3,59
Other training and education	0	5	16	14	2	37	3,35
Responsibilities	0	3	10	20	4	37	3,68
Challenges	0	7	11	15	4	37	3,43
Feedback from supervisor	3	7	8	17	2	37	3,22
Teamwork	0	3	14	10	10	37	3,73

Responsibilities and challenges are also seen as positive outcomes. These were indicated as very important in the survey as none of the respondents gave a value one or two for these themes. Altogether 25% of the respondents evaluated responsibilities as very important. Challenges were evaluated to be very important by 38.3% of the respondents. Most of the respondents thought that these themes are offered well in the organization. There were only less than 17% who thought that these values are either not at all offered or only a little. Generally those who had evaluated these as very important or important gave on average a lower value to its offering at the SC as shown in table 2.

### 4.6 Development opportunities

The personal review discussions are important in organizational point of view to gather important information from the employees and also to formulate motivating development plans according to the UPM's motivation material. The question number 17 was designed to find out their usefulness. According

to the expectancy theory it is important to know the future development opportunities to stay motivated. One of the UPM's motivation strategies' targets is to offer possibilities to develop and support personal growth. The survey results stated that 45% of the respondents feel that plans for their future were formulated. However 40.8% were not certain and 10.5 % slightly disagreed. (UPM HR Internal 2010; Juuti 2006, 52-53.)

There were only 3 respondents who agreed their future plans have been executed accordingly. The distribution of answers was more on the positive side. Altogether 23% disagreed at least somewhat with the statement. The last point of the question was to evaluate the effectiveness of the PPR discussions as a channel to review and find motivation. The value four and five were chosen by 56% of the respondents, meaning that most people agree with the statement.

According to the UPM motivation strategy it is important to listen to employees. It is important to research the need for further development and to ensure the empowerment at UPM. Empowerment is one of the cornerstones in the organization's motivation strategy. Question number 7 was designed to find out if employees actually think their opinions are heard and that they have the possibility to express themselves freely. The table 3 below shows the distribution of respondents' choices according to the values from one to five, one being disagree and five being agree. The general overview shows that employees mostly think their opinion matters. (UPM HR Internal 2010.)

Table 3 Do you feel your opinion matters, results in percentage

	1	2	3	4	5
Able to influence decision making	3,9	21,1	31,6	31,6	11,8
Supervisor listens	3,9	6,6	15,8	43,4	30,3
Co-workers listen	0	0	14,5	57,9	27,6
Express myself freely	0	7,9	25,0	44,7	22,4
Develop myself	2,6	14,5	31,6	44,7	6,6

The question asked if respondents thought they can influence decision making distributed answers to all values. Altogether 42.1% of the respondents agreed at least somewhat that they can influence decision making. However, 25% said they disagreed with the statement. A third of the employees did not agree nor disagree.

It is encouraging to notice that a majority of the respondents thought their supervisor listens to their opinions. It is important that employees know they are listened to and have the chance to affect their own future and the current status of their work. This is also an important component to motivation according to the expectancy theory (Juuti 2006, 36). Most of the respondents agreed that their supervisor listens to their opinions. There were only eight

respondents who disagreed with the statement. Listening to employees and empowering them is a great part of the motivation strategy at UPM. It seems this has been taken care of appropriately. Employees also gave very high values when asked if their co-workers listened to their opinions. There were only eleven neutral answers all others were positive. This indicates a very encouraging and cooperative working atmosphere. (UPM HR Internal 2010.)

Motivation is dependent on expressing and developing one. Also according to the expectancy theory these should be researched when discovering work motivation as they are positive outcomes. Most of the respondents said they are able to express themselves freely and develop one. Generally a higher value was given to the expressing one than that of developing oneself. This indicates at least an open organizational atmosphere.

### 4.7 Renewed values of UPM

With the support of UPM's personnel the organizational values have been renewed this fall. The new values should be incorporated well in the organization to reach the wanted new organizational culture. The values should also enhance a motivating atmosphere in the office and support team members. According to UPM's motivation strategy the corporate values should be aligned with personal values to make them more valuable and attractive for the employee. Questions 14 and 15 were designed to research if employees know the new values and whether they are seen as motivating. Most of the respondents (63.2%) answered that they know the new values at least somewhat. There were although a fifth of respondents who were not sure and in total 11.8% who admitted not being familiar with the new values.

When asked on a scale from one to five one being not at all and five being very much, whether the renewed values motivate employees to work as they advise most people indicated that they were not sure. There was only one respondent who thought that they motivate very much opposite to four respondents who thought the values do not motivate at all. Those who indicated that they know the renewed values well had mostly chosen value three for their motivating effort. However, 29.2% said that they do motivate. There were though also respondents who did not think the values motivate employees at all and 20.8% thought that only a little.

### 4.8 Motivational factors

Questions 12 and 13 were chosen to investigate whether the motivational strategies offered by UPM are valued by employees. These also correlate with the expectancy theory as there were individual positive outcomes chosen such as career development opportunities and work certainty. Both questions asked to evaluate on various factors' motivation on a scale from one to five, one being not at all important and five being very important.

Career development opportunities were seen as very important motivators. Altogether 72% of the respondents valued it as very important or important. In the open ended answers it was mentioned that job rotation and work exchange should be more easily accessible as they are good motivators. There were approximately 24% of respondents who chose it as a neutral factor and only 3.9% who saw it not being a motivating factor. Job rotation opportunities were seen fairly motivating; there were only 9.2% who thought it was not motivating or only a little.

Work certainty scored second best when comparing all of the results between the asked motivators. It was seen one of the most important motivators. The one that scored even better was working atmosphere. Working atmosphere is also one of the factors that affect motivation according to the expectancy theory. It offers employees chances to communicate with one another openly and thus also improve their perception on what sort of work input is correlated with other employee's outcomes. This motivator also scored the most fives in this section. (Juuti 2006, 29, 52.)

Recognition from supervisors was evaluated to be very important motivator. Altogether 86.8% chose it as important and only 13.2% as irrelevant. There were no negative scores for this factor. Support from supervisors and colleagues were thought to be important motivators. Support from supervisors was though scored with higher notes. It also scored the most fours and fives out of the motivators asked in this question. Interaction with co-workers and forming friendship with them were seen as moderately motivating factors. Forming friendship was chosen by 5.3% of the respondents not being an important motivator. In the open ended answers it was emphasized that more feedback and recognition from colleagues and supervisors is needed.

The facilities and activities offered besides work time were investigated in question 13. There is an exercise break organized two times a week in the Tampere SC. This was not seen as a very important motivator. Most of the respondents saw it as irrelevant. The gym at the work premises was evaluated as a very poor motivator. Most of the respondents, altogether 30.3%, evaluated it with value one. The other extracurricular activities such as the Christmas party and monthly after work drinks scored votes on each value. On average the given value was 2.9.

The coffee break rooms were evaluated to be motivating in the survey. In personal interviews with co-workers in the SC it was criticized that the TV in the coffee break room showed work related facts. These opinions did not show much on the survey results. The working conditions such as ergonomics as well as the equipment used in daily work were evaluated to be good motivators. There was the same amount of responses for both options in the lowest scores. In the open ended answers it was mentioned that the working conditions should be improved for example the room temperatures.

UPM also offers lunch vouchers and exercise vouchers to encourage the well-being and support the motivation of their employees. According to the survey these were seen only as moderate motivators. However the exercise vouchers were seen as more important than the lunch vouchers in terms of motivation. Improving other occupational health services was one of the targets of the human resources department. Altogether 57.9% thought of these as somewhat motivating factors. For 34.2% this was irrelative and 25% indicated that it does not motivate them.

### 4.9 Employees' comments

The respondents were also given the freedom to say anything concerning motivation and what decreases and increases their motivation in question number 18. One of the topics that surfaced most was workload. It was seen that some teams had much more to do than others. Sometimes even the supervisor involvement was mentioned to be the reason for it. The work load evaluation criteria was also criticised to be too concerned on one thing, for example in the planning teams the amount of orders that are confirmed. Some stated even that the required input level is based on how long a person has worked for the position. This means that the person who has last entered the team always succeeds with lower effort.

Another topic that was discussed fairly much in the open ended question was racism and unfair treatment. For example as mentioned above, those who have been working longer have bigger workloads. It was even mentioned that older and younger employees are treated differently and offered different kind of support from their supervisor. Gender was also seen as a factor that influences supervisor's recognition and appreciation. The older workers' valuable know how was said to be unnoticed and unappreciated. It was considered also unfair that those who have already been working for a year for UPM are still allowed to be in the learning phase.

A third thing that was discussed in many of the answers was communication. To every aspect to all stakeholders communication seemed to be lacking in the SC. Especially on the supervisors side, it was argued that some supervisors are no longer interested in their job and many important messages and jobs are left undone. Efficient, smooth and open communication in general was also requested across the whole supply chain. It was emphasized that the open communication should be a two way street. Employees would also like to express their own opinions for example concerning their supervisor without being afraid of being marked on the so called black list. Feedback as a general form of communication was mentioned many times in the open ended answers to be lacking even though it was seen as a key motivator.



## 5 SUGGESTIONS

The expectancy theory helps to explain why most employees only do the required minimum and are not that motivated to do their tasks. For a person to be motivated he should believe in his own talents and ability to influence. If a person does not believe he is able to improve his work input, he will not offer much energy to accomplish the tasks. Also if the extra effort does not bring more recognition the person is not likely to sacrifice any more energy to complete the task. People also review and appreciate recognition differently. (Viitala 2007, 158-159.)

The following chapter will offer motivation strategy suggestions for UPM Tampere SC. The suggestions are based on the theories presented in this study as well as the empirical evidence gathered from the research conducted at the SC. The suggestions will exclude compensation and reward strategies as those are excluded from the whole research as explained in chapter one.

### 5.1 Clear work targets and job descriptions

It was discovered in the questionnaire that not all employees thought that their job descriptions and responsibilities are straight forward. The job descriptions at the SC are rather harmonized so also very shallow. There should be greater emphasis placed on determining clear descriptions for all jobs at the SC. The managers should also define the responsibilities and task ownership more clearly to all of their employees and all of the stakeholders. There seems to be some confusion what is everyone's territory and what they are in charge of.

The teams' targets are established every year to ensure meeting the organizational targets of UPM. There should be more repetition on the targets as a big part of the respondents did not feel like they are familiar with them as displayed in figure 2 (see pg. 34). Some respondents also claimed the targets are not achievable. As a part of an empowerment strategy the employees should be included in the target formulation process. Employees should also be included to discover the ways their own team will achieve the targets. The targets should be regularly assessed how well they are being reached. Also further strategies should be formulated with the employees on how to place extra effort to achieve the targets. It is important that employees know the targets, know they are achievable, know the recognition to be received with success and especially believe in the importance of the targets according to the expectancy theory (Juuti, 2006, 49-50). Managers should try to bring forward the individual gains which will be received when meeting the targets as well as their organizational importance.

The diverse employee base and ways of doing ought to be harmonized. It was observed that teams performing the same job do it differently. Common ways

of achieving and performing should be formed so that all employees know what they should do to receive recognition. Employees performing the same tasks should have same ways of working to also make the back-up situations easier. There should be common rule on how to prioritize work when there is too much to handle.

### 5.2 Communication

In the way forward discussions as well as in the questionnaire results, it was observed that communication across the entire organizational chart is lacking. An informative monthly letter has now been sent to employees' organizational email. It was observed that employees rarely place any effort to consume the time to read the info letter. A more direct way of communicating besides this should be set up. The teams have weekly morning meetings to update the current business status. However, the other issues are not always informed or dealt with. Thus, another meeting should be held for example every month on different matters. Such things should be discussed as who can have their holidays and when. The possibilities to attend exchange programs or job rotation should also be presented. Also other projects should be presented to offer employees the chance to nominate themselves for a more demanding or challenging task.

It was often observed that important information is received only through the info letter and only once it has been taken into action, for example promotions. These could be one of the topics in the monthly team meeting. Information on where the company is headed at should also be included in this meeting. The employees are mostly not interested in one-hour presentations but short and simple informative and straightforward messaging from their supervisor. This should also be a good chance for supervisors to share recognition. In the UPM motivation strategies, it was discussed that employers should also offer feedback and recognition in front of other coworkers. This would be a great means to execute that. The feedback should not however be artificial and a must but a genuine "thanks" if an employee has worked well. This will also offer the recognition that increases motivation according to the expectancy theory.

The morning coffee breaks are a good way to build up team atmosphere and increase information flow across the SC. It should be suggested that more employees attend other's morning coffee breaks to meet new people. According to the survey, the importance of making friendship at work was a very important motivator.

To communicate the opinions of others and share feedback, results like this survey should be presented to the employees. Otherwise most will never know how others feel and how they could with simple efforts make others work more motivating and meaningful. Also, the organizational action plans should be announced and carefully followed to ensure employees know

important matters are taken care of. They should also know that the extra effort they have placed in achieving a certain goal has not been pointless but resulted in a permanent change in the organization. One of UPM's strategies is 360° feedback and communication. This should be further emphasized and developed.

### 5.3 Ensuring work certainty

According to the survey no matter how long someone has been working for UPM, they feared at least somewhat of layoffs. Downsizing has been a common trend in the business life for the past few years due to the economic downturn. This should be most definitely addressed as employees who feel they do not have a certain future in an organization start looking for other and better places to work in. Work certainty was also valued as a very important motivator in the survey. Also in the PPR discussions formulating long term plans for employees would be a good plan to increase work certainty. When an employee knows the company has something in store for them they feel more important are not so much afraid of dismissals. Offering training for the employee would also increase the feelings of importance. This would increase the employee's motivation, as it is likely a company would not invest in an employee who they are going to layoff.

The future organizational plans of UPM should be regularly announced bearing in mind restrictions and regulations concerning stock listed companies. It creates no trust to hear from possible cutbacks from tabloids. The monthly meeting with teams should be the right place to address this problem. It should be clearly stated who are the ones under the scope and why. This is a good chance to minimize the bad mouthing, gossiping around and guessing who are being fired this time. It is also an opportunity to create a picture for the employees that they are a valuable asset for the company.

### 5.4 Equal treatment of employees

The survey indicated that 85% had been working for UPM before entering the SC. In the open-ended answers these employees indicated that they felt they and their know-how are not respected enough. There should be general and equal review methods to all employees. Managers should show more recognition to all employees and also notice the need for recognition for the so called old-timers. Recognition and feedback are some of the components also in the motivation strategies of UPM (UPM HR Internal 2010). Moreover the expectancy theory suggests that these are extremely important to improve motivation (Juuti 2006, 52-53). It was stated that those employees who have been working for a shorter period of time are still allowed to be in the learning phase even though they have been working for UPM over a year. Through general review methods this can be balanced.

Staying in contact with the direct stakeholders and hearing their opinions can help to offer valuable feedback and recognition. First the stakeholders should be familiar with the work their counterparts are doing to avoid asking for the impossible. Usually the managers at the SC are in contact with the stakeholders thus they are the ones with the important information. Managers should forward the feedback also to the respective employee at the SC. Having monthly conference calls or visiting the stakeholder would also offer important information for the employee and increase motivation.

The monthly team meetings should also be a means to remind about the equal evaluation criteria. This is also a chance for co-workers to show recognition and respect to others as it was seen a key motivator in the survey. The manager's role there is however greater as according to the survey 3.9% of the respondents indicated receiving no feedback from their supervisor. The team meetings should also be held on managerial level. This is a means for supervisors to observe one another if their motivation is starting to decrease. Also in the open-ended answers it was stated that some supervisors seem as if they no longer care. The supervisors should motivate one another to also reflect the good feeling and motivation to their subordinates.

### 5.5 Work load optimization

It was observed that half of the respondents in the SC have experienced work fatigue. It was discussed a lot how workloads are unfair and unbiased. Forming general evaluation criteria can also help to recognize which teams are under greater stress. With the help of the employees the need for extra work force should be determined. It was observed that employees in some teams felt that they would like to perform their responsibilities better; they just do not have the time to do that. Only the most necessary things are done and everything else is left pending. In UPM there are all the time more regulations and methods to achieve the organizational objectives. If the employees however do not have the time to fulfil these requirements it is pointless to set up new goals.

There should be discussions with all the teams. The team's own opinions on their work load should be listened to. This also needs to be done with the managerial teams. A team's wellbeing is reflected also from their supervisor's wellbeing. It is not fair that some teams receive all the recognition possible and others need to fight to survive the day under the immense pressure. It is much more motivating when a person can be proud of their achievements and feel content when leaving work. According to the theory by Lawler a job well done creates satisfaction and satisfied people are much easier to motivate (Juuti 2006, 28). Also the UPM's HR material suggests that all responsibilities should be evaluated with the employee to make sure they correspond to the employee values (UPM HR Internal 2010).

### 5.6 Leadership as a key factor in motivation

As discussed in the previous chapters a manager influences their team's motivation greatly. A manager should be encouraging. To incorporate UPMs new values into everyday working life the manager's should set an example of himself. The leaders should be included to a session where the common leadership principles are discussed. If lack of motivation or resistance is noticed the individual should be discussed with personally. Bad leadership manners should be eradicated from the organization to allow potential employees to flourish in their positions. According to the survey some employees feel like their supervisor does not care about their work or the wellbeing of their employees.

Leaders should observe their subordinates all the time. They should ensure that the employees have enough training and education to perform the required tasks. The education in the SC has been taken care of accordingly as the survey indicated most employees are happy with their training level. Employers should acknowledge different employee types and their individual needs. If a certain person only receives positive feedback from all stakeholders and seems to be content with their work their skills should be further developed. According to the expectancy theory a person is motivated when they receive recognition and when they are able to achieve also individual goals (Juuti 2006, 49). At some point performing at the same respectable level will no longer offer recognition for the employee as managers are accustomed to the high performance. That is why the employee should be developed to other tasks. Also according to the survey employees indicated challenges to be one motivator.

The offered recognition's value is dependent on employee qualities. Not all employees see the same things as valuable enough to reach for. That is why managers should pay attention to the employees and research which recognition offers them greatest pleasure. The PPR discussions are also a good way to observe employees preferences and their individual goals. The goals can be used to motivate employees more and also sustain long term motivation.

Empowerment is one of the motivation strategies at UPM. It should also be incorporated in everyday working life. Employees should be aware that they can make decisions and that failure is ok if you learn from it. This should be supported by leaders otherwise also the new value of renewing with courage can never really step into full action.

### 5.7 Other motivation strategies

There is a lot of potential at the SC to form an extremely motivated work force. There should be greater attention paid on employees to discover their interests. There should be however also other ways to offer motivation that is

not related directly to work. For example the gym facilities at the work premises should be taken advantage of. The survey results suggested that on average the gym facility is not considered as a good motivator, however 26% thought of it as a very important motivator. There are a lot of female workers at the SC and most women like to take care of themselves. It was observed that many employees travel daily over two hours to get to work as a great part of the employees have been pulled from different sites of UPM. So these employees do not have much other time than that of travelling and working. This might also be one of the reasons why the employees do not have the time to use the gym and thus do not hold it as a good motivator.

One strategy to offer own time and motivate the employees could be to offer, on one day a week, a paid exercise hour. Each team gradually would have their turn to attend the gym facilities to take care of their wellbeing and also increase motivation. Those employees who do not wish to use the gym could be offered with other possibilities. There could be a spectrum of choices every week for employees to choose where they want to spend an hour one day per week. Courses and other education and development opportunities could also be on the list. This should not however be a Friday as otherwise all employees would only leave work early. This would serve a way for employees to reach their individual goals as according to the expectancy theory that is motivating (Juuti 2006, 49).

Working atmosphere and interaction with co-workers were chosen as important motivators in the survey. Besides morning coffee brakes there should be other support from the managers for employees to interact and support one another also outside workplace. The weekly one hour “time-off” is one chance for employees to interact but there should also be other methods in use. Visits to cultural activities outside work time should be supported by UPM. There are for example culture vouchers that can be offered to employees to compensate a certain amount of an entrance fee. These possibilities should be included in the monthly meeting to ensure employees are aware of their opportunities.

The PPR discussions are a very good channel to review motivation. Clear development plans are an easy way to establish long term motivation. Some respondents to the survey feared saying feedback straight to own supervisor. That is why another development discussion should be held with an outsider. To minimize the time consumption these could also be held with the whole team. It could be an easier way for employees to state their true opinions also about their supervisor.

Some of the UPM's offered advantages for employees should be better supported. If for example employees have flexible working hours in certain time frames how can that be restricted by announcing that someone should always work until four o'clock. If the employee works the whole week a little extra to leave work early on Friday due to the long commuting distance back

## How to motivate high-demanding employees

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home it should be rightfully deserved. If these sorts of benefits are offered they should be also respected.

## 6 CONCLUSIONS

This study was commissioned by UPM-Kymmene Tampere supply chain centre. The purpose of the study was to examine the effectiveness of the current motivation strategy. This was considered to be an important topic as the demanding business environment; recent economic turmoil and market situation require motivated personnel to achieve the organizational goals. According to various sources employees are the essence and the key factor in business success.

As a cost savings and service improvement effort, UPM centralized all services to service centres in key locations. This study refers to the North Europe service centre. To add more value to their product UPM has acquired eco-friendly labels for their products and also has the brand the Biofore Company. This is to show their commitment also to environmental issues and their interest in sustainable and innovation driven future. Other key competitive edges of UPM are cost leadership, innovation and readiness for change. It is vital that employees are motivated to strive towards these common goals. (UPM Annual Report 2009; UPM 2010a.)

The human resources function supports management in leading and motivating employees. They offer training for management, especially in change management as great changes have taken place at UPM. It requires a lot of attention to ensure and reinforce motivation in these challenging circumstances. The workforce at the supply chain centre Tampere has been divided into functional teams of planning, customer service, logistics and inventory. Each of these teams has their team manager with whom they are closely in contact to resolve their HR matters. (UPM HR Internal 2009.)

The motivational efforts were researched with the expectancy theory as reference. Books, online material and intranet sources were used to gather relevant background theory for the study. The current level of motivation was studied through a questionnaire sent to all employees at the service centre from which conclusions were drawn. Personal observations were also used to form a picture of the current level of motivation.

In this study motivation was defined as the internal or external stimulus which affects our behaviour and is influenced by individual skills and competencies. It has been recognized that motivation stems from a certain consequence of a process. The earlier motivation theories assumed that motivation is only driven by subconscious matters whereas the contemporary process theories consider humans as rational thinkers who make their own decisions (Juuti 2006, 39-40).

The widely used work motivation theory, the expectancy theory by Vroom, was first originated from the studies of Lewin. Later on Lawler has developed



Vroom's theory to better distinguish expectancies related to performances and outcomes. The whole expectancy theory is based on the fact that humans make conscious choices on what is the most probable option with the most favourable outcome. However motivation is not striving towards goals, motivation only displays the energy a person is willing to direct to them. (Juuti 2006, 44-45.)

The expectancy theory has three common principles; valence, expectancy and instrumentality. Valence refers to the value of a certain outcome. Expectancy is the probability of achieving the outcome. Understanding what sort of input level is needed to attain results is called instrumentality. The contribution of Lawler was to divide the expectancies further to effort-performance and performance-outcome expectancies. (Juuti 2006, 49-50.)

The effort-performance expectancies are direct results of behaviour. It can get values from zero to one. The outcome is high if the person believes they can achieve a task and low if not. The performance-outcome expectancies are those consequences a person thinks his performance will prevail, for example recognition. It can also be stated as the probabilities to achieve recognition. Also these expectancies get values from zero to one. (Juuti 2006, 53.)

According to the expectancy theory, motivation is the result of the expectancies multiplied with correlation to valence, so the value of the expectancies. This means that a person is motivated if he thinks his effort level will result in wanted results. When using this theory to evaluate work motivation it is important to examine whether the outcomes employees think their efforts result in are positive or negative. Most of the research made on the expectancy theory has results that support the theory. Some criticism has been noted that the theory does not consider enough the instinct and subconscious side of human. (Juuti 2006, 51.)

The employees at the supply chain centre are referred to as high-demanding employees. This is because the employees at UPM have always been offered with rather diverse spectrum of benefits. Flexible work time and fringe phones are a few of the benefits offered to the employees at the SC. After getting accustomed to a high level of service the employees are more difficult to motivate and thus can be called high-demanding.

The motivation strategy at UPM has been designed to match the organizational goals, employee qualities, employee needs and organizational values. The organizational goals of UPM are to attain profitability in Europe, penetrate growing markets and new business areas. Human resources strategies have been established to meet the organizational goals. The strategies are to first of all establish clear targets with clear reward mechanisms. This would of course also involve feedback which is one of the important components in the expectancy theory for an employee to feel motivated. Empowerment should also be exercised as much as possible and managers should also recognize leader potential and develop it. Employees'

competencies should also be continuously developed to support their career path. (UPM HR Internal 2009.)

Motivation strategies have also been formulated according to employee needs. It is important that the motivation efforts are adjusted to what each employee values and appreciates and these should be assessed together with the employee. The expectancy theory supports the strategy of different approach styles dependent on the employee. The examples given in the UPM motivation material are to establish clear targets and some variety for each employee and also individualize the work descriptions. Supporting the working atmosphere by recreational events initiated by the employee is also named as a motivation technique. (UPM HR Internal 2010.)

The organizational values should be somehow meaningful for the employee to increase motivation. Also all communication should be honest and open to develop trust. To further motivate it is important to offer flexibility to help balance working and private life. Development opportunities as well as recognition are important tools in the motivation strategy of UPM and are also supported by the expectancy theory. UPM has also set up different motivation techniques depending on employee qualities from more challenging tasks to short-term, clear goals. For example potential talents should be offered with challenges, encouragement and training, whereas experts should be properly lead and listened to. (UPM HR Internal 2010.)

As already mentioned above, the organizational values should relate to individual's values to make them more meaningful. The new values at UPM were chosen with the help and input from all employees. Achieve together, renew with courage and trust and be trusted were chosen as the new values. These should encourage employees to take initiative and be accountable for their choices and also to be open, honest and communicate more.

In UPM's motivation strategy, a motivating leader was established as one of the corner stones in employee motivation. Leaders are also important contacts for the HR as employees first contact their manager in HR matters. The leaders should guide the employees in a common way of working, develop the right people and empower employees and make them accountable for their decisions. (UPM 2008d.) The expectancy theory supports developing employees however it does not include empowerment as a motivation technique as it depends on what employees' value and think their capable of doing to be motivated.

It was investigated whether employees think the current motivation strategy actually motivates through an anonymous survey sent to all employees at the SC. The response rate was 76% which can be considered as an adequate sample size to draw up conclusions. First of all it was researched how motivated the employees think they are, altogether only 56% thought they are somewhat motivated. This result gives grounds to offer further motivation efforts.

Many of the employees commented that the clarity of work was not as good as wanted. Job descriptions and tasks and responsibilities were known but the organizational team objectives were not that well acknowledged. It was commented that people are not as aware of their responsibilities as needed thus some work might be left undone. The starting point to motivation also according to the expectancy theory is that employees know what they need to do to establish motivation (Juuti 2006, 49-50). According to the survey the teams' targets were not considered that motivating.

The expectancy theory states that an employee is motivated if their work input is recognized as they had expected. Then the employee is also able to estimate what sort of work input level will result in recognition. According to the survey most of the employees thought their work input is rightfully recognized at least somewhat. There was however some comments that managers might underestimate employees' achievements. When using the expectancy theory to evaluate work motivation, it is important to investigate what sort of consequences employees think their work has. The negative results investigated such as work fatigue and frustration were experienced somewhat at UPM. The positive results such as responsibilities and feedback were experienced more according to the survey. The positive results were also evaluated as very important motivators by a majority of the respondents. (Juuti 2006, 49.)

Development opportunities are a part of UPM's motivation strategy (UPM HR Internal 2010). According to the survey employees thought that some sort of development plans were formulated in the personal review discussion and also somewhat executed. Employees also thought they are able to influence decision-making to some extent and that their opinions are heard by co-workers and supervisors. However, more recognition and appreciation was requested from the supervisor.

Two of the mostly commented issues in the open-ended questions were work load and communication. It was said that current evaluation methods for work load were not justified as they do not reflect the real tasks done during the day. Overall the work load was commented as unjustified within a team as well as between teams performing the same function. Communicating this to the supervisor was seen difficult. Also other communication issues were brought up as lacking and in need of improvement.

To improve these drawbacks, found in the motivation survey, some motivation suggestions were offered. It was seen that each employee should first of all be aware of their tasks and responsibilities. These should be gone through with each employee to also individualize them as UPM's motivation strategy suggested (UPM HR Internal 2010). This would also be an important opportunity for the employee to feel important and be more motivated through that.

To improve communication, it was suggested that a Communication Specialist should be nominated. Also the needs of each team should be clearly established to notice further needs for example meetings to negotiate holidays. Moreover the supervisor should be easily approachable so that employees think their matters are important and they are welcome to talk with their manager about any mischief they might experience. More efficient communication would also be needed concerning organizational changes. It is important that employees feel they are valuable enough to be told if something influencing them is going to take place.

Equal treatment of employees was another topic discussed in the open-ended questions. It was felt that more is expected from those employees who have worked longer for UPM and that they always get the most difficult cases to solve. It was also criticised that employees depending on sex are treated differently. More equal and general performance review methods can help to balance this situation but also in this case employees need to be talked with to establish if someone feels too much pressured. The new review methods would also balance the work load evenly.

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COVER LETTER

Dear Colleagues,

Would you please be so kind and take a few minutes to fill out the following questionnaire. You may access it from the link. The link is available for this week, so please answer by the 8th of October. This is a part of my final thesis research for HAMK concerning non-monetary motivation here at UPM Kymmene Tampere TBP. So the questions will exclude all salary and reward matters.

All answers are anonymous and confidential. Individual answers will not be used, only a general view is presented. So please answer truthfully.

If you have any questions please do not hesitate to ask me.

Thank you all for helping me to graduate!

<http://www.webropol.com/P.aspx?id=478113&cid=108846459>

Kind regards,  
Erika





## QUESTIONNAIRE

- |  |                |
|--|----------------|
| 1. Gender  | Male / Female  |
| 2. Nationality   | Finnish/ Other |
| 3. Have you previously worked for UPM (other than Tampere SCC)   | Y/N            |
| 4. If yes, approximately how many years (please indicate in full years) ____   |                |
| 5. How clear are the following to you on a scale from 1 to 5 (1= I do not know this, 5= I am fully aware of this)  | 1      5       |
| a. your job description  | OOOOO          |
| b. your tasks & responsibilities   | OOOOO          |
| c. the organizational objectives (targets) of your team  | OOOOO          |
| 6. Do you feel motivated in your current tasks? (1= not at all, 5=very much)   | OOOOO          |
| 7. Do you feel your opinion matters (1=disagree, 5=agree)  |                |
| a. I am able to influence decision-making  | OOOOO          |
| b. My supervisor listens to my opinions  | OOOOO          |
| c. My colleagues listen to my opinions   | OOOOO          |
| d. I am able to express myself freely  | OOOOO          |
| e. I am able to develop myself   | OOOOO          |
| 8. Do you feel your work input has been rightfully recognized (compared to your colleagues)? (1= disagree, 5=agree)  | OOOOO          |
| 9. Please indicate if you have experienced the following (1= not at all, 5=a lot)  |                |
| a. Work fatigue (= temporary loss of strength & energy)  | OOOOO          |
| b. Work frustration  | OOOOO          |
| c. Fear of layoff  | OOOOO          |
| d. Work boredom  | OOOOO          |
| 10. Would you please rate how important the following factors are to you on a scale from 1 to 5 (1 = not at all, 5 = very important)?                              |                |
| a. orientation to work   | OOOOO          |
| b. other training & education  | OOOOO          |
| c. responsibility  | OOOOO          |
| d. challenges  | OOOOO          |
| e. feedback from supervisor  | OOOOO          |
| f. teamwork  | OOOOO          |
| 11. Would you please again rate how well the following factors are offered to you on a scale from 1 to 5 (1 = would need more of this, 5 = sufficiently provided)? |                |
| g. orientation to work   | OOOOO          |
| h. other training & education  | OOOOO          |
| i. responsibility  | OOOOO          |
| j. challenges  | OOOOO          |
| k. feedback from supervisor  | OOOOO          |
| l. teamwork  | OOOOO          |
| 12. Would you please rate how important the following are to you as motivators (1=not at all important, 5=very important)  |                |
| a. career development opportunities  | OOOOO          |
| b. job rotation possibilities  | OOOOO          |
| c. work certainty (continuity)   | OOOOO          |
| d. working atmosphere  | OOOOO          |

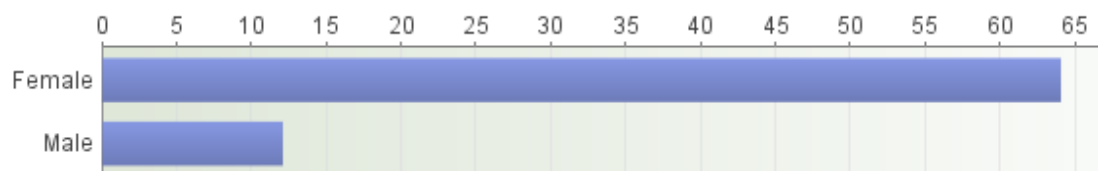
## How to motivate high-demanding employees

- |                                 |       |
|---------------------------------|-------|
| e. recognition from supervisors | 00000 |
| f. support from supervisors     | 00000 |
| g. support from colleagues      | 00000 |
| h. interaction with coworkers   | 00000 |
| m. friendship with coworkers    | 00000 |
13. How well do these factors enhance your motivation at work? (1=does not motivate me at all, 5=enhances motivation a lot)
- |   |       |
|---|-------|
| a. Exercise break during work days  | 00000 |
| b. Coffee break rooms   | 00000 |
| c. Occupational health services   | 00000 |
| d. Extracurricular activities (e.g. Christmas party, monthly after work drinks) | 00000 |
| e. Working conditions (ergonomics)  | 00000 |
| f. Working equipment you use daily  | 00000 |
| g. Lunch vouchers (lounassetelit)   | 00000 |
| h. Exercise vouchers (liikuntasetelit)  | 00000 |
| i. The gym at Tulli Business Park   | 00000 |
14. Do you know the renewed values of UPM? (1= not at all, 5=very well) 00000
15. Do the new values motivate you to work as they advise? (1= not at all, 5=very much) 00000
- i.
16. How do you feel about the team's set targets on a scale from 1 to 5 (1=disagree totally, 5= I agree totally)
- |   |       |
|---|-------|
| a. I know my team's targets                                     | 00000 |
| b. Targets motivate me to work towards them                     | 00000 |
| c. Set targets are achievable                                   | 00000 |
| d. Targets are supported by other functions in the organization | 00000 |
17. How useful are the PPR, Personal Performance Review discussions? (1= disagree, 5= agree)
- |   |       |
|---|-------|
| a. Personal development plans were formulated                       | 00000 |
| b. Personal development plans have been executed accordingly        | 00000 |
| c. The discussions are a good channel to review and find motivation | 00000 |
18. Please describe here what would make you more motivated or if there is something that decreases your motivation at work. All input is appreciated.

## QUESTIONNAIRE RESULTS

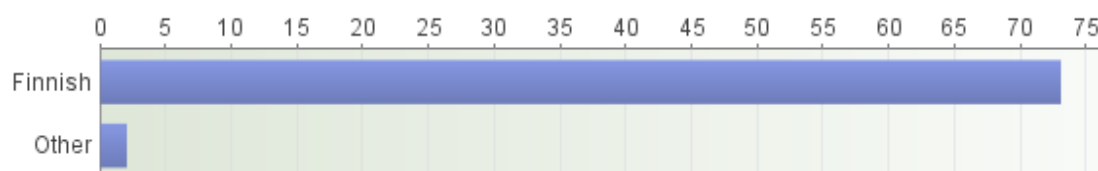
### 1. Gender

Amount of respondents: 76



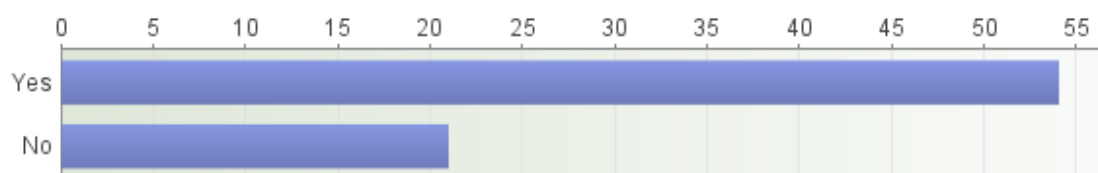
### 2. Nationality

Amount of respondents: 75



### 3. Have you previously worked for UPM (other than Tampere SCC)?

Amount of respondents: 75



### 4. If yes, approximately how many years (please indicate in full years)

Amount of respondents: 54

- 20	- 26	- 14
- 10	- 18	- 25
- 21	- 30	- 7
- 23	- 5	- 1
- 10	- 22	- 2
- 20	- 14	- 2
- 4	- 6	- 3
- 1	- 19	- 9
- 20	- 11	- 2
- 2	- 8	- 6
- 23	- 19	- 0.7
- 30	- 16	- 9
- 22	- 16	- 29
- 9	- 18	- 1
- 20	- 21	- 25

## How to motivate high-demanding employees

- 21	- 0,5	- 2
- 4	- 2	- 8
- 1	- 20	- 4

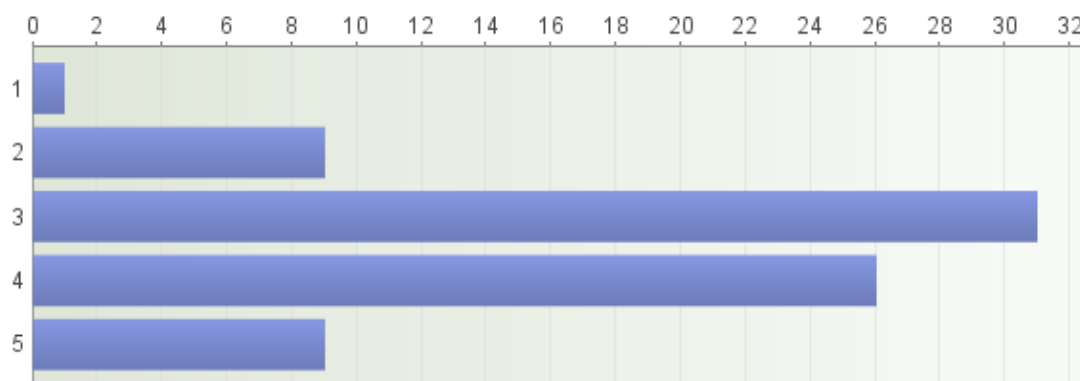
5. How clear are the following to you on a scale from 1 to 5 (1=I do not know this, 5=I am fully aware of this)

Amount of respondents: 76

	1	2	3	4	5	Total	Mean
Your job description	1	2	5	37	31	76	4,25
Your tasks and responsibilities	1	1	8	41	25	76	4,16
The organizational objectives (targets) of your team	1	5	16	36	18	76	3,86

6. Do you feel motivated in your current tasks? (1=not at all, 5=very much)

Amount of respondents: 76



7. Do you feel your opinion matters (1=disagree, 5=agree)

Amount of respondents: 76

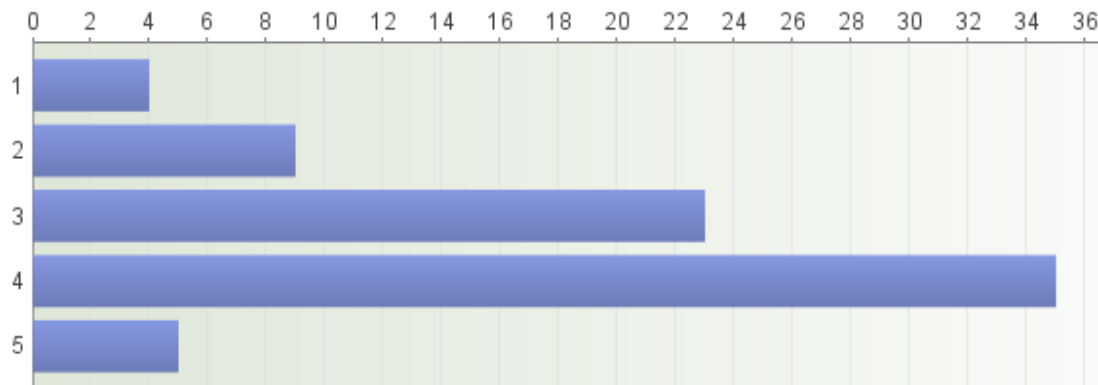
	1	2	3	4	5	Total	Mean
I am able to influence decision-making	3	16	24	24	9	76	3,26
My supervisor listens to my opinions	3	5	12	33	23	76	3,89
My colleagues listen to my opinions	0	0	11	44	21	76	4,13
I am able to express myself freely	0	6	19	34	17	76	3,82
I am able to develop myself	2	11	24	34	5	76	3,38



## How to motivate high-demanding employees

8. Do you feel your work input has been rightfully recognized (compared to your colleagues)? (1=disagree, 5=agree)

Amount of respondents: 76



9. Please indicate if you have experienced the following (1=not at all, 5=a lot)

Amount of respondents: 76

	1	2	3	4	5	Total	Mean
Work fatigue (=temporary loss of energy and strength)	3	21	18	26	8	76	3,2
Work frustration	2	23	22	19	10	76	3,16
Fear of layoff	25	16	12	18	5	76	2,5
Work boredom	6	31	25	11	3	76	2,66

10. Would you please rate how important the following factors are to you on a scale from 1 to 5? (1= not at all, 5=very much)

Amount of respondents: 76

	1	2	3	4	5	Total	Mean
Orientation to work	0	1	9	40	26	76	4,2
Other training and education	0	4	19	34	19	76	3,89
Responsibilities	0	0	9	48	19	76	4,13
Challenges	0	2	8	37	29	76	4,22
Feedback from supervisor	0	0	6	40	30	76	4,32
Teamwork	0	1	14	36	25	76	4,12

## How to motivate high-demanding employees

11. Would you please again rate how well the following factors are offered to you on a scale from 1 to 5? (1= not at all, 5=very much)

Amount of respondents: 76

	1	2	3	4	5	Total	Mean
Orientation to work	0	8	29	35	4	76	3,46
Other training and education	1	11	36	24	4	76	3,25
Responsibilities	1	8	24	38	5	76	3,5
Challenges	1	12	27	28	7	75	3,37
Feedback from supervisor	4	13	19	34	6	76	3,33
Teamwork	1	4	28	26	17	76	3,71

12. Would you please rate how important the following are to you as motivators (1=not at all important, 5=very important)

Amount of respondents: 76

	1	2	3	4	5	Total	Mean
Career development opportunities	0	3	18	30	25	76	4,01
Job rotation possibilities	1	6	25	35	9	76	3,59
Work certainty (continuity)	0	2	8	30	36	76	4,32
Working atmosphere	0	0	2	24	50	76	4,63
Recognition from supervisors	0	0	10	43	23	76	4,17
Support from supervisors	0	0	1	43	32	76	4,41
Support from colleagues	0	0	6	41	29	76	4,3
Interaction with coworkers	0	0	10	39	27	76	4,22
Friendship with coworkers	1	3	22	36	13	75	3,76

## How to motivate high-demanding employees

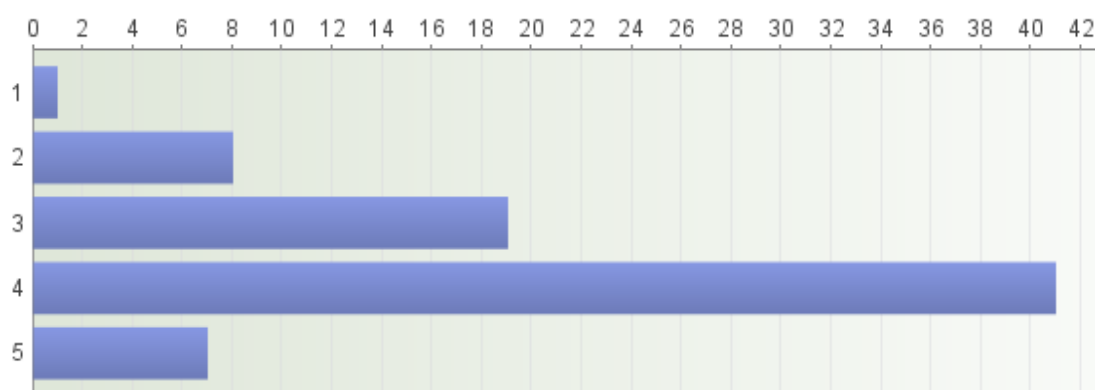
13. How well do these factors enhance your motivation at work? (1=does not motivate me at all, 5=enhances motivation a lot)

Amount of respondents: 76

	1	2	3	4	5	Total	Mean
Exercise break during work days	6	13	28	22	7	76	3,14
Coffee break rooms	4	7	21	35	9	76	3,5
Occupational health services	1	5	26	27	17	76	3,71
Extracurricular activities (e.g. christmas party, monthly after work drinks)	9	17	25	20	5	76	2,93
Working conditions (ergonomics)	0	6	16	31	23	76	3,93
Working equipment you use daily	1	8	13	25	29	76	3,96
Lunch vouchers (lounassetelit)	4	11	24	25	12	76	3,39
Exercise vouchers (liikuntasetelit)	6	11	11	29	19	76	3,58
The gym at Tulli Business Park	23	22	11	12	8	76	2,47

14. Do you know the renewed values of UPM? (1=not at all, 5=very well)

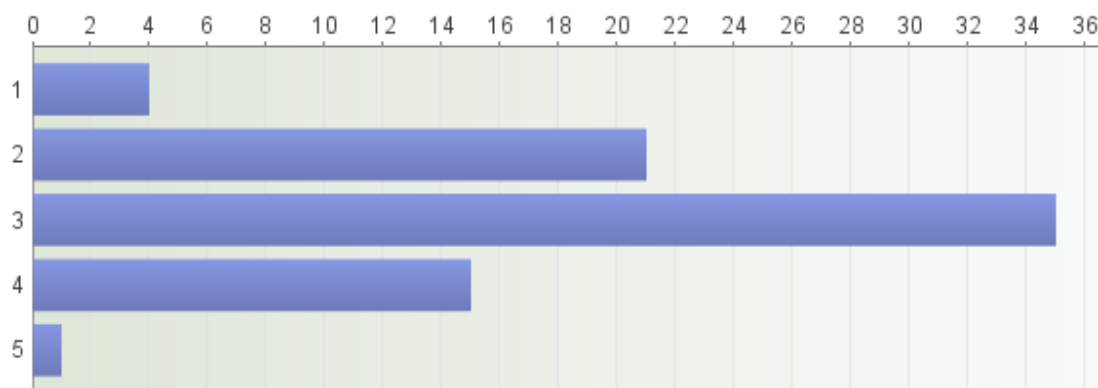
Amount of respondents: 76



## How to motivate high-demanding employees

15. Do the new values motivate you to work as they advise? (1=not at all, 5=very much)

Amount of respondents: 76



16. How do you feel about the team's set targets on a scale from 1 to 5? (1=disagree, 5=agree)

Amount of respondents: 76

	1	2	3	4	5	Total	Mean
I know my team's targets	2	6	15	40	13	76	3,74
Targets motivate me to work towards them	3	9	31	29	4	76	3,29
Set targets are achievable	5	5	39	26	1	76	3,17
Targets are supported by other functions in the organization	5	17	37	16	1	76	2,88

17. How useful are the PPR, Personal Review discussions? (1=disagree, 5=agree)

Amount of respondents: 76

	1	2	3	4	5	Total	Mean
Personal development plans were formulated	3	8	31	29	5	76	3,33
Personal development plans have been executed accordingly	3	14	33	23	3	76	3,12
The discussions are a good channel to review and find motivation	3	9	22	30	12	76	3,51

18. Please describe here what would make you more motivated or if there is something that decreases your motivation at work. All input is appreciated.

Amount of respondents: 28

- Salary
- Jatkuva muutos toimintatavoissa ilman, että edellisetkään muutokset on kunnolla





## How to motivate high-demanding employees

ollut toiminnassa vie motivaatiota, koska asioihin ei jää tarpeeksi aikaa tutustua. Erityinen kiire, jolloin ehtii tekemään ainoastaan tärkeimmän ilman, että olisi mahdollisuutta syventyä asioihin kunnolla. Myös puuttuvat ja selkeät toimenkuvat aiheuttavat motivaation puutetta. Tunne, että ketään ei kiinnosta, mitä omiin työtehtäviin kuuluu ja mitä niihin pitäisi kuulua. Selkeä vastuu puuttuu tällöin. Tiimin toimivuus sekä esimiehen panos motivoi tekemään työn kunnolla. Myös esimiehen mielenkiinto alaisten työtehtäviin ja jaksamiseen motivoi. Rahallinen korvaus ylimääräisestä työstä on tärkeä, koska silloin tuntee, että työpanosta arvostetaan.

- Reducing unnecessary bureaucracy in HR and IT -matters would increase my motivation a lot.
- Sharing the work load - also between the teams
- Appreciation of the work contribution
- Truthful view of the work load (not only the quantity of confirmed orders as a indicator)
- Incorrect views of "efficiency" of teams are considered more closely
- more open communication
- more communication and information from the sales directors
- work load to be justified
- salary should be scaled with the responsibilities
- age racism: youngsters are recognised
- don't forget the seniors
- Motivation would increase by giving more feedback and recognition from colleagues, co-workers and superior.
- Possibilities to visit sales offices abroad. Possibility to work abroad for some time, with the possibility to return to work here (i.e. work exchange).
- Feed back is always a very motivator, especially when you see that your work is important for the organization.
- Job descriptions are poorer at SCC than at the mills, too harmonized.
- Motivaatiota alentaa jatkuva vähättely esimiehen suunnasta. Ylin johto on kiinnostunut, tukee ja kuuntelee, mutta esimies ei.
- Meidän "vanhojen" tekijöiden aherrusta vähätellään, mutta kuitenkin ollaan ensimmäisenä pyytämässä apuun ongelmissa. Uusi (siis suoraan Tampereelle palkattu väki) saa olla edelleen oppimisvaiheessa, vaikka monen aloittamisesta on jo yli vuosi.
- Paljon vaaditaan ja odotetaan, mutta mitään ei anneta takaisin.
- Better working conditions (room temperature very low at the moment).
- One team member doesn't get along with the rest of us.
- Sopiva työkuorma.
- UPM ei ole työnantajana kovin joustava. Samaa vanhaa ajatusmaailmaa sovelletaan kaikkeen edelleen, vaikka arvoja jne päivitetäänkin ahkerasti.
- Työntekijöitä ei kohdella tasa-arvoisesti vaan esim. sukupuoli ja palvelusvuosien määrä vaikuttaa radikaalisti työn arvostukseen ja palkkaukseen. Tällainen ei edistä työviihtyvyyttä/motivaatiota.
- Lyhyesti sanottuna motivaatiota lisäisi raha!
- Parking place downstairs motivate me a lot. Thank you for that.
- Sijaisuuskorvauspolitiikka on ihan syvältä. Ihmisistä viedään mehut ja mitään ei saa siitä kiitokseksi. Muutenkin resurssien saatavuus on toisten tiimien osalta vaikeaa,

## How to motivate high-demanding employees

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toisille tiimeille tuntuu apua heruvan, mutta toisilta niitä poistetaan vaikka työt eivät todellakaan vähene mihinkään.

'vanhoilta' työntekijöiltä odotetaan suurponnisteluja kun taas tuoreilta työntekijöiltä ei vaadita ollenkaan samoja asioita. Kaikki ikävät penkomiset ja selvittämiset tulevat 'vanhojen' pöydille ja samalla myös heiltä kysytään koko ajan neuvoja, kuitenkin palkkauksessa ei tämä 'mahtava tietotaito' näy millään lailla. Motivaatio ja käsitys tästä firmasta ei todellakaan ole huipussaan!

- Increasing motivation: when there are clear targets and managers make sure that workload is divided fairly and everyone is really doing what they are supposed to!!  
Decreasing motivation: useless complaining, not teamwork-minded people, selfishness, managers who don't do their job!
- I think that the team would be more motivated if the team leader would be more "up for the challenge" himself/herself. At the moment it seems that the team leader is quite fed up of the work and that reflects to the subordinates. Many issues that require actions are left undone.  
I also feel that some teams are a bit unstructured at the moment and work is distributed unevenly.
- Smooth communication between all parts of the supply chain.
- Possibility to do remote work, salary according to my education and experience (should be more than current salary), new challenges
- There are people, who have too little work and on the other hand such people who have too much work to do. I think this matter should be solved.
- More open communication about things in general. Even workload between all teams and also between team members.
- Jatkuvat muutokset organisaation sisällä eivät ainakaan motivoi. Päinvastoin muutoksista saattaa tulla olo, että "miksi edes yrittää parhaansa ja opetella uutta, kun jossain vaiheessa systeemiä kuitenkin taas muutetaan".  
Mielestäni työhön suhtautuisi huomattavasti motivoituneemmin, jos tarjolla olisi enemmän mahdollisuuksia esim. ulkomailla työskentelyyn, vaikka vain väliaikaisesti. Tällä hetkellä koen myös, että työssäni on vaikea edetä ja siksi näitäkin mahdollisuuksia tulisi tarjota enemmän, koska osaajia löytyy varmasti. Edes pieni mahdollisuus siitä, ettei loppuelämänsä tarvitse työskennellä täysin samassa tehtävässä motivoi kummasti.
- The salaries are a disgrace. If the salary is poor compared to what other companies pay, and if on top of that you get 500-1000 eur less than your colleague sitting next to you doing exactly the same job as you... what degree of motivation can you expect?? UPM is brilliant in giving opportunities to learn new tasks and persuading you to take more responsibilities --- and making you to do those things for free.
- Discussions should be open, would be nice to know what is going on. It would be essential to express your opinions without being afraid of unwanted behaviour by your foreman (black list).
- work rotation
- Parempi palkka, enemmän vastuuta.
- I would be much more motivated if I would get a permanent position.